



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

BOARD OF MARINE PILOTS

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MEETING OF THE ALASKA BOARD OF MARINE PILOTS
26 JANUARY 2017 – STATE OFFICE BUILDING, 9TH FLOOR, CONFERENCE ROOM 'C'
JUNEAU, ALASKA
TELECONFERENCE: 1-800-315-6338, ACCESS CODE 89061

DRAFT MEETING AGENDA
(Revised 20 January 2017. Supersedes all previous versions)

<u>TIME</u>	<u>TOPIC</u>	<u>LEAD PERSON</u>
0900	Call to Order – Roll Call	Chairperson Hladick
0905	State Office Building orientation	MPC Ward
0910	Review Agenda Declarations/Recusals	Chairperson Hladick
0915	Review/Approve Minutes 13 October 2016 meeting	Chairperson Hladick
0920	Report from Yacht Subcommittee and Discussion of Timelines for FPC exemptions	Capt. Rich Preston/ Mr. Paul Axelson, AAG Harriet Milks
0950	Break	
1000	Investigative report	MPC Ward/Inv. Clark
1030	Public Comment	MPC Ward
1045	Business Items <ul style="list-style-type: none">▪ Renewals▪ Correspondence▪ Review of board actions since June meeting▪ Delegation of authority to MPC▪ Financial report	MPC Ward
1130	Regulations Status Report <ul style="list-style-type: none">• Length overall• Bieli Rocks and Kiska Harbor	MPC Ward
1200	Lunch	

1300	Rate filing objections <ul style="list-style-type: none">▪ Objection by ASA to SWAPA filing▪ Objection by ASA to SEAPA filing	Chairperson Hladick/ MPC Ward
1330	Pilot Organization Reports <ul style="list-style-type: none">▪ SEAPA<ul style="list-style-type: none">- Proposed changes to bylaws▪ SWAPA▪ AMP	Chairperson Hladick/ Pilot Ass'n. reps.
1500	Other Business Next meeting	MPC Ward
1515	Adjournment	Chairperson Hladick

Item 4. Review/Approve Minutes



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DRAFT MEETING MINUTES OCTOBER 13, 2016

**ROBERT G. ATWOOD BUILDING
550 W. 7TH ST., SUITE 1270
ANCHORAGE**

DRAFT MEETING MINUTES OCTOBER 13, 2016

These draft minutes have been prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Alaska Board of Marine Pilots.

By authority of AS 08.01.070(2), AS 08.62.030 and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Marine Pilots was held.

Item 1. Roll call/Call to order

Board members present: Ms. Shirley Marquardt (acting chair), Mr. Tom Rueter, Capt. Hans Antonsen, Capt. David Arzt, Mr. Richard Erickson and Mr. Andrew Mack.

Board members absent: Commissioner Chris Hladick (excused)

A quorum was present.

Division of Corporations, Business and Professional Licensing Operations Manager Sara Chambers (Acting Marine Pilot Coordinator) was in attendance and recorded minutes.

Other CBPL staff present at various times were Chief Investigator Angela Birt and Paralegal/Rising Marine Pilot Coordinator Charles Ward

Members of the public present included Carolyn Vermette, deputy marine pilot license applicant; Capt. Michael O'Hara, president of Southwest Alaska Pilots' Association; Paul Axelson, with Yacht Services of Alaska and co-chair of the Board's Yacht Committee; Capt. Paul Merrill, president of the Southeast Alaska Pilots' Association; Capt. John Herring of SEAPA and Capt. Bill Gillespie of Alaska Marine Pilots.

Marquart called the meeting to order.

Item 2. Atwood Building Orientation

Chambers provided a safety briefing.

Item 3. Review Agenda

There were no additions nor deletions from the agenda

There were no recusals or declarations.

Item 4. Review and approve minutes

Motion by Antonsen to approve the minutes of the 17 June 2016 meeting as drafted. Seconded by Erickson. There was no discussion. Motion passed by unanimous consent.

Item 5. Public comment

Marquart opened the floor for public comment. There was none.

Item 6. Deputy Marine Pilot application review: Carolyn Vermette

Rueter: Concern about oral examination being held in public. Candidate needs to feel free to answer openly, express with candor.

Marquart: Invited Chambers to discuss state law regarding executive session.

Chambers: Discussed the email sent to the board regarding state law pertaining to executive session.

Mack: Recommended the Board go into executive session and record it, based on a greater likelihood of a candid conversation.

Antonsen: Agreed with Mack, especially given the board's need to get to know the candidate, given her responsibility. He pointed out the Board can't really fail someone based on the oral interview.

Rueter: Agreed with Mack. Candor is important, and this is Board's opportunity to know the candidate on an individual basis.

Marquart: Recommended the new MPC be informed of the board's culture and how the recording will be preserved (with the recording preserved, but no transcript generated unless requested).

Executive Session

Motion by Arzt to go into executive session for purpose of discussing the Deputy Marine Pilot application of Vermette in accordance with AS 44.62.310(c)(1-4). Seconded by Erickson. There was no discussion. Motion passed unanimously.

The Board entered into executive session at 0924

The Board went back on the record at 1000

Motion by Rueter to leave executive session. Seconded by Mack. Motion passed by unanimous consent.

Motion by Antonsen to grant Vermette a Deputy Marine Pilot's license as she has successfully completed the oral exam, with the condition she complete ice docking requirements as soon as possible. Seconded by Rueter.

Discussion: Marquardt, Mack and Antonsen expressed their appreciation for the fulsome interview, Vermette's successful local candidacy and the success of the Southwest Alaska Pilots' Association's apprenticeship program. Antonsen and Mack said they were looking for great things from Vermette. Motion passed unanimously. Chambers said she will issue Vermette's license today. O'Hara offered congratulations.

Item 7. Business items

New Marine Pilot Coordinator

Chambers said Ward would be the new Marine Pilot Coordinator, and he would be at the meeting to meet the Board at 1130. Chambers reviewed Ward's resume and stated Ward was looking forward to working with the Board to bolster his maritime knowledge.

Foreign Pleasure Craft

Chambers reviewed the Foreign Pleasure Craft history from Fiscal Year 2016 to date. She noted one of the challenges the Board faced was the number of last-minute exemption requests the Board received. She noted vessel agents expressed concern about the amount of time the Board had to review exemption requests.

Antonsen: Wanted to clarify his rationale for voting "no" on several recent exemption requests. He suggested that procedures be clarified before the summer of 2017 to ensure the yachts requesting exemption are complying with the requirement to request same 30 days before entering pilotage waters and the Board is given its full 10 days to approve or disapprove those requests. He said it is important to do so to ensure due diligence, and that not doing so does a disservice to yachts that are complying with the 30-day/10-day requirement.

Marquardt: Asked if there is a way for vessels who don't comply with the 30-day/10-day requirements to pay for an expedited service—what will get their attention to comply?

Antonsen: Said there are different levels of fines and penalties in statute and regulation and that a fine for not applying in a timely manner may be too strong.

Marquardt: Asked if, under statute, CBPL staff could inform yachts requesting exemptions there is a fine for a late application.

Antonsen: Said there would need to be a legal opinion on that question.

Erickson: Asked why some applicants don't know about the requirements for a pilot and the time frame for requesting an exemption, when others do? He also expressed concerns about pilots being able to be dispatched timely, and about penalizing a vessel that is already being penalized by not being able to sail or having to take on a pilot.

Marquardt: Said intent was not to penalize, but to bring the statutory timelines to the yachts' attention.

Antonsen: Said he was not looking to penalize, just to get vessels to comply with the statute. It's an issue of fairness for vessels that take efforts to comply with the statute.

Erickson: Asked if the Board was assuming the yachts knew about the 30-day/10-day requirement and didn't comply.

Antonsen: Said he wasn't assuming the boats knew about the rule, just that they didn't comply. The Board should decide what is important to emphasize in terms of compliance.

Rueter: Said the State is open for business. These folks are not commercial vessels but are private yachts. They may have professional mariners on board, but they are not commercial vessels. We can argue that they do need to know the laws, but as the state, we want to encourage visitors to enhance the commerce of the state. Does the board want to make them sit for 30 days? There's a need for the MPC or the Board to do a short study to see if the statutes or regulations should be amended to create an additional fee for expedited service.

Mack: Said he read the information this summer when it was pertinent. Asked when the line is crossed between paying an exemption fee and paying a penalty. Asked if not only fines apply, but could a misdemeanor be charged.

Antonsen: Quoted AS 08.62.190(b). "A person who violates any other provision of this chapter or a regulation adopted under this chapter is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$1,000 nor more than \$5,000." Clarified that applied to all violations except that of failure to properly employ a pilot, which carries a larger fine.

Marquardt: Expressed support for the idea of adding an additional fee for an expedited review.

Arzt: Clarified this time frame is in statute, not regulation, and stated the issue may be beyond creation of a new regulation.

Antonsen: Said he was not opposed to expediting if that was what the Board wanted, but pointed out again violating the 30-day/10-day timeline was a violation of statute and a misdemeanor.

Mack: Said he has an issue with granting exceptions because the statute is there for good reason. Said we care about our coastline and how things are managed. Said we should not end up in this situation for safety reasons, and expressed concern about knowledge of the vessel's captain. Pointed out three requests for exemptions from larger yachts during summer of 2016 that perhaps should not be surprised by Alaska's pilotage rules. Said we should go slow but try to have something in place for next summer. Said the goal is not to penalize, but to not expose Alaska to risk.

Marquardt: Suggested the new MPC study and offer options to the Board at the next meeting.

Erickson: Asked if the yachts entered pilotage waters and then realized they need a pilot.

Antonsen: Said all took on a pilot when entering pilotage waters.

Antonsen: Said he believes exempt vessels are licensees, and he's uncomfortable with allowing licensees to commit violations. Pointed out his concerns are not anti-yacht, and said he enjoyed piloting yachts and generally found their captains and crews to be trouble-free.

Rueter: Asked for clarification regarding the yachts' specific violation. Asked if the act of submitting an application outside the time frame was in itself a violation. He requested the MPC study the issue.

Mack: Suggested Board members submit specific questions, concerns, options, assumptions to the MPC to assist in moving forward, and said it was possible for the MPC to work with the Yacht Committee.

Axelson spoke to the Board and said he concurs with concerns of the Board. Said the statutes and regulations do not appear to be very well thought out. Expressed concern a yacht trying to make something right could be violating the law simply by asking for an untimely exemption. Said the statutes either needs to be fixed or the Board needs to stay consistent in order to maintain fairness. Said the Committee and Board need to be cautious and precise when requesting a fix. Expressed concern the current situation could drive commerce away.

Rueter: Said the Board and public should submit suggestions to the MPC soon, as the Legislative session begins in January, and the preparatory work needs to begin soon in cognizance of that.

Marquardt: Expressed concern about valuing a quick review process over careful deliberation. Said this will not be done before the summer yacht schedule.

Axelson: Said he appreciates staff and Board's efforts to turn exemption requests around quickly.

Antonsen: Said the Board could determine that an application submitted with less than 30-day/10-day notice could be considered incomplete and the yacht has the option to take on a pilot in order to visit. We are not turning away commerce.

Task: Chambers will work with Ward to develop strategy to research issue with Yacht Committee and place on agenda for next meeting. Goal is to present options to the board at that time.

Renewals of license for Marine Pilots and Vessel Agents

Chambers: Said the renewals were moving forward. Said renewal went live about a week ago. Said the Division had a new online renewal and a paper application process. Encouraged any licensee with issues to contact the CBPL office. Said Ward had been briefed on renewal process and frequently asked questions in order to answer questions during her pending absence from the office.

Correspondence

Chambers: Said two letters had been submitted raising concerns about the level of regulation to sail in Alaska. Said there may be an opportunity for the Board and vessel agents to increase education available to the public. Said she understood the Board did not have a great deal of funds for such a purpose, but provided low-cost options for outreach. Said the letter from Capt. Glenn Walsh in British Columbia expressed a request for captains with local knowledge to receive relief from certain requirements. Said there was no specific action being requested of the Board.

Artz: Asked about correspondence from SEAPA and SWAPA. Chambers said she placed that correspondence with the association reports.

Marquardt: Asked if any Board members wanted to address any items of correspondence. There was no response.

Public review of Board actions

Chambers: Said there was a list of exemption approvals and training tonnage upgrade requests the Board had approved via mail ballot since its last meeting. Pointed out the Board can take votes outside of Board meetings in this manner for items not requiring discussion.

Board actions from 6/8/16 – 9/2/16

Date	Motion	Voting Tabulation	Action
06/08/2016	Approve S/Y ASahi exemption	Arzt, Erickson, Rueter, Hladick, Mack, Marquardt (Y) Antonsen (N)	Motion passed
07/01/2016	Approve M/Y ANNASTAR exemption	Erickson, Hladick, Rueter, Marquardt (Y) Antonsen(N) Arzt, Mack (NR)	Motion passed
07/14/2016	Approve M/V TAMSEN exemption	Hladick, Marquardt, Rueter, Arzt, Erickson, (Y) Antonsen (N) Mack (NR)	Motion passed
07/27/2016	Captain Eric Collins training pilot	Arzt, Antonsen, Erickson, Mack, Hladick, (Y) Rueter, Marquardt (NR)	Motion passed
07/27/2016	Captain Barry Olver training pilot	Arzt, Antonsen, Erickson, Mack, Hladick (Y) Rueter, Marquardt (NR)	Motion passed
07/27/2016	Captain Michael Tamney training pilot	Arzt, Antonsen, Erickson, Mack, Hladick (Y) Rueter, Marquardt (NR)	Motion passed
07/27/2016	Captain Phil Taylor training pilot	Arzt, Antonsen, Erickson, Mack, Hladick (Y) Rueter, Marquardt (NR)	Motion passed
07/27/2016	Captain Matthew Michalski 90K GT upgrade	Arzt, Antonsen, Erickson, Mack, Hladick (Y) Rueter, Marquardt (NR)	Motion passed
08/19/2016	Captain Keith Austin 65K GT upgrade	Unanimous	Motion passed
08/19/2016	Captain Ian Maury 65K GT upgrade	Unanimous	Motion passed
09/02/2016	Captain Rich Preston training pilot	Antonsen, Mack, Erickson, Arzt (Y) Marquardt, Rueter, Hladick (NR)	Motion passed

(Y) = Yes (N) = No (NR) = No response.

Regulations status update

Chambers: Said changes to regulations regarding marine pilot availability in Western Alaska and changes to marine pilot duties in case of collisions, allisions, and groundings became effective on 9 October 2016. Said the length overall regulations adopted by the Board were with the CBPL regulations specialist and would need review from the Department of Law. Said she did not anticipate issues, but said attorneys do often find wording that needs to be corrected.

Break at 1101

Board went back on the record at 1133

Item 8. Investigative Report

Birt presented the 16 June 2016 - 5 October 2016 investigative report. Said there were two pending matters and two matters had been closed. Stated one pending matter was awaiting the results of a medical evaluation and another was under active investigation.

Ward was introduced as the new MPC and he presented his background as paralegal.

Birt: Explained the recruitment process and how Ward has demonstrated competence.

Marquardt: Welcomed Ward to the position.

Marquardt: Introduced letter from Capt. W.E. Murphy and stated the letter was best discussed in executive session.

Executive session

Motion by Rueter to enter executive session for the purpose of discussing investigative matters.

Seconded by Antonsen. There was no discussion. Motion was approved by unanimous consent.

The Board entered executive session at 1141.

The Board recessed for lunch at 1223

The Board went back on the record at 1331.

Motion by Artz to exit executive session. Seconded by Rueter. There was no discussion. Motion was approved by unanimous consent

Item 9. Pilot organization reports

SEAPA

Training

Merrill: Said there are 46 full pilots and one deputy at 65,000 gross tons; Capt. John Larson retired after 44 years; six observing trainees now and expect 1-2 each year going forward. SEAPA will give an exam in March and four successful candidates will enter SEAPA's training program at an appropriate category. Said enough pilots exist to cover the region given expected traffic. Reports good cooperation between SEAPA and the cruise lines, which helps trainees.

Erickson: Asked for clarification on SEAPA's training process, and Merrill explained the process.

Bieli Rocks

Merrill: Said the Bieli Rocks trial station is an alternate station in Sitka. Said it has been a trial for two summers and has been necessary due to a new dock at Halibut Point. Said SEAPA requests it be formalized. Said discussion should be had on whether Bieli Rocks should be a seasonal or year-round station.

Marquardt: Asked if there was a process for the Board to follow to make Bieli Rocks a permanent station.

Chambers: Said the Board could deliberate as to whether to change 12 AAC 56.120 add Bieli Rocks as a permanent station.

Marquardt: Asked for discussion.

Antonsen: Asked why there had been a slight change from the preliminary trial station to the current location being considered.

Merrill: Said the new location provides adequate shelter, is safer, and better approach. Said it's closer to the dock by about 3 miles from trial position and decreases transit time.

Rueter: Asked if the new location was closer to or further away from the dock.

Merrill: Said it was closer to the dock.

Rueter: Asked if the new location added or decreased total transit time.

Merrill: Said it decreased total transit time.

Erickson: Said industry is in favor of the addition.

Motion by Antonsen to amend 12 AAC 56.120 to add Bieli Rocks (1 mile, 315 degrees True from Bieli Rocks; approximate position 57 degrees, six minutes North latitude, 135 degrees, 31 minutes West longitude). Seconded by Rueter. There was no discussion. Motion passed unanimously.

Deputy Marine Pilot qualifications

Merrill: Discussed his letter of 18 September 2016 requesting a review of the deputy marine pilot qualifications in AS 08.62.093(d) statement “except as otherwise provided by the board” to qualify the 25,000 gross tons initial license qualification.

Merrill: Described the training track for deputy marine pilot licenses. Said limiting the initial license to 25,000 gross tons upon initial license doesn’t add value to new deputies as outlined in the letter and limits their utility to build their skills in paid status on larger ships. Said the Legislature foresaw the need to allow initial pilotage of larger vessels. Said the value of a new licensee to work on their own is invaluable. Said a return of a large number of large vessels to Southeast Alaska is unlikely. Said the Board should discuss a regulation allowing a higher tonnage on initial licensure.

Arzt: Said the Board needs direction on its scope of ability to adopt regulations to issue a license at a tonnage other than 25,000 gross tons.

Chambers: Said it appeared the Legislature gave the Board authority to license beyond 25,000 gross tons. Said the Board might consider any changes it wished now, then seek an attorney’s opinion.

Antonsen: Said an attorney’s opinion is necessary. Suggested he help spearhead discussions among the associations and industry about suggested changes to the license tonnage so a full discussion on a specific tonnage limit can take place at the January meeting. He expected the Board may see a proposal at the April meeting.

Chambers: Said she would work with Ward to get an attorney’s opinion. Said Law’s ability to review matters expeditiously had been hampered by budget cuts. Said Law will look at the statutory authority to enact a regulation twice during the regulation process. Suggested the Board could have a discussion now to understand its desires, then proceed to the regulations process.

Antonsen: Suggested a discussion now, so the project could proceed on two tracks.

Erickson: Asked if this had been a topic of discussion among Alaska Marine Pilots.

Arzt: Said this has not been a topic among AMP, but it would be an enhancement to increase training and availability of pilots.

Rueter: Asked what the Board is missing if the 25,000 gross tons license was skipped.

Arzt: Said training mechanisms have improved and vessel sizes have changed. Said pilots are training on larger vessels already. Said it’s a great question and needs this further exploration to determine next steps. There was a consensus among Board members they supported holding initial discussions about this possible change.

Task: SEAPA will take the lead to work informally with industry and other associations to gather information, work with the MPC as necessary, and bring it back to the board in January.

Training program changes

Herring walked through the side-by-side comparison of the updated SEAPA training program. Assured the Board it was a housekeeping effort, not a substantive change other than in a few areas in Volume II. Said the Misty Fjords observation requirement has changed to include a waiver in case the trainee can’t get there. Said the regional simulator training requirement had been beefed up to require trainees to go to a real simulator with a SEAPA training pilot to work on more challenging dockings and undockings. Said weighing anchor was required in regulation, so the anchoring requirement was reduced from eight to six and two weighing anchorings had been added. Said Automatic Radar Plotting Aides requirement changed to be current, not every three years. Said the pilot briefing does not have to be in writing. Said changes minimized orientation to focus on safety, expectations, and review of training process.

Herring: Said Volume I focuses on entry to the program. Said SEAPA eliminated the provision to move to the bottom of the list after the second refusal, and changed it so they only have one opportunity to refuse. Said a new appeals/dismissal section was added because the existing section referred to SEAPA bylaws, which don’t apply to trainees.

Herring: Said a few additional changes were made to conform with pilot regulations and eliminate redundancy when aspects were already included in statute and regulations. Overall, SEAPA sought brevity and clarity.

Marquardt: Asked for input from the Board. There was none.

Antonsen: Said he appreciated SEAPA's hard work and commended Herring.

Motion by Antonsen to approve changes to the SEAPA training manual Volumes I and II as presented. Seconded by Mack. Approved unanimously.

SWAPA

O'Hara: Said there were 14 Very Large Crude Carrier pilots, four deputy pilots that will eventually be VLCC pilots, one trainee in Valdez and three observers. Said he had no issues to bring forward. Said he looked forward to the discussion about possible changes to the 25,000-gross-ton limit on initial deputy licensure.

Marquardt: Asked SWAPA provide their changes and thoughts on the tonnage change to the MPC.

AMP

Gillespie said there were nine pilots—eight unlimited and one VLCC, one deputy pilot and one trainee. Said AMP reviews pilotage needs at every annual meeting to look toward meeting pilotage needs in the future.

Rueter: Asked whether Gillespie feels there is a growing need in Region 3.

Gillespie: Said he didn't think there was a demand they couldn't meet. If Shell had continued operations, they may have needed more.

Gillespie: Said AMP published new tariffs, working with the Alaska Steamship Association ahead of time to make sure that process went smoothly. Said Army Corps of Engineers, AMP, and cities of Dutch Harbor and Unalaska worked to dredge an area of the harbor to improve access and economic activity. Said the Champion Ebony ran aground just outside of pilotage waters; AMP took notice since navigation might affect other tanker vessels—it's a bad area navigationally and has increased traffic. Said AMP met with NOAA to discuss and request a new survey for the area since it is dangerous and a grounding of a tanker may have disastrous impacts.

Marquardt: Offered her assistance in her capacity as mayor of Unalaska.

Rueter: Asked about additional charting activity in Dutch Harbor.

Gillespie: Said he believed additional charting had been completed, to the edge of state waters.

General discussion followed about the charting process in the Dutch Harbor area.

Gillespie: Said AMP pilots had been busy with a broadband cable project in Northern and Western Alaska. Said one failure might be that of the Crystal Serenity, which was piloted in compulsory waters. Said, however, many had asked if AMP would have a presence in the ice corridor, and they didn't have a presence despite asking to have one.

Item 10. Other business

Next meeting

Board discussed meeting 26 January 2017 in Juneau due to the Legislative session, and possibly meeting in Anchorage in April instead.

Chambers: Said Division Director Janey Hovenden recommended boards meet in the most inexpensive location possible for budgetary reasons, which is Anchorage for most boards, given the majority of members of most boards are based in or near Anchorage. Said Hovenden and Hladick was reviewing requests individually, and considerations such as interaction with the Legislature were compelling reasons to meet outside Anchorage.

Rueter: Expressed concern the Board be able to meet in various locations around the state to interact with the public and pilotage associations.

Antonsen: Suggested the Board send business reasons to meet in person. Said Juneau may be best given the numbers and Chambers' and Ward's need to attend, as well. Mack and Arzt agreed.

Chambers: Said CBPL staff were assembling travel justification worksheets for other boards. Said these worksheets list justifications for face-to-face meetings.

Rueter: Suggested April 12, 13, 19, or 20, as dates for an April meeting. Said meeting much later than that would be more difficult for those prepping for summer. Discussion about dates and location resulted in **April 19 with location to be determined**—likely in Juneau due to legislative session and ability of members and staff to attend.

Item 11. Adjournment

Motion by Erickson to adjourn. Rueter seconded. Motion passed by unanimous consent.

Meeting ended at 1449.

**Item 5. Report from Yacht
Subcommittee and Discussion of
Timelines for FPC Exemptions**



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*Department of Commerce, Community,
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BOARD OF MARINE PILOTS

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MEMORANDUM

Date: 29 December 2016

To: All members, Yacht Subcommittee of the Board of Marine Pilots

From: Charles Ward, Marine Pilot Coordinator

CC: All members, Board of Marine Pilots
Sara Chambers, Division Operations Manager

Re: Application timeline for foreign pleasure craft

Recommendation: The Yacht Subcommittee should respond to the Board of Marine Pilots' charge to review and provide solutions to the issues presented by the current statutory timelines. Discussion via teleconference after 1 January 2017 but before the Board meeting on 26 January 2017 is likewise recommended.

Questions presented

- 1) Is there a way to establish a fee for expedited service for foreign pleasure craft (FPC) wanting a pilotage exemption that apply fewer than 30 days prior to entering mandatory pilotage waters?
- 2) Why are some FPC aware of the 30-day rule and others not?
- 3) Is filing an application fewer than 30 days prior to entering mandatory pilotage waters a violation of Alaska law?

Executive Summary

- 1) Creation of an expedited process would require a statutory change and could create logistical problems within Corporations, Business and Professional Licensing (CBPL).
- 2) Unknown, but there are possibilities for awareness campaigns directed at both internal and external audiences.
- 3) No, but entering mandatory pilotage waters without a pilot or exemption is. There may be an opportunity to create a process for untimely applications to be approved by regulation.

Analysis

Question 1

Current Alaska law does not allow for payment of an extra fee to expedite an application for an FPC seeking a pilotage exemption.

The statute mandates an application for exemption be submitted to the Board at least 30 days before the vessel enters the state.¹ Further, the fee for such an exemption is mandated by statute.² Finally, CBPL centralized regulations only allow for an expedited licensing process in two narrow circumstances: if there is a dire need for healthcare providers in an underserved area of Alaska³, and express shipping of a license.⁴

Creating an expedited fee and process would require a change in the Pilotage Act, which is in the purview of the Alaska Legislature. Further, the creation of such a process, if successful, may lead to a situation where most FPCs seeking exemption request expedited review, making it difficult to provide faster service.⁵ Should the Board wish to create an expedited process, it would need to request legislative action.

Question 2

There are two potential methods to make members of the FPC community aware of Alaska's pilotage requirements and its rules and deadlines to seek an exemption from those mandates: an information campaign directed at seekers of such information, and an operation directed at those unaware the rules exist.

The advantage of the first method is it can be accomplished largely by using existing CBPL resources. The Marine Pilot Coordinator can work with the Publication Specialist and others with specialized skills and knowledge to augment existing webpages and publications with more obvious and direct statements about the rules and requirements for FPC operating in Alaskan waters. The primary drawback is this messaging would only reach members of the FPC community inclined to seek out such information. The Committee, and the Board, would need to consider whether those people and companies inclined to do an initial search are stopping their quests before finding the information they need.

The second method casts a wider net and is likely to reach people not inclined to seek out information on the rules governing FPC navigation in Alaska. However, while some of this outreach can be done through free media (letters to editors of specialized publications, social media), other aspects of it would require payment to specialized media and perhaps hiring outside contractors as well. CBPL cannot take on such costs at this time. However, vessel agents may be able to provide this information to existing and potential clients through their current and future methods of outreach.

Question 3

The act of filing an application fewer than 30 days before entering Alaska waters is not, of itself, a violation of Alaska law.

¹ AS 08.62.180(b).

² AS 08.62.140(b).

³ For more, see *Request for Expedited Review of Health Care Professional Application*, available at <https://www.commerce.alaska.gov/web/portals/5/pub/adm4664.pdf> (accessed December 23, 2016).

⁴ 12 AAC 02.105(12)

⁵ For example, a 100-foot FPC would typically pay a \$2,000 fee for a pilotage exemption. It seems likely the owner of an FPC willing and able to pay such a fee would also be willing and able to pay any reasonable fee for expedited service.

Of course, entering Alaska waters without a licensed pilot or without a mandatory or discretionary exemption is a violation of Alaska law.⁶ However, the consequence of failing to apply for an exemption prior to the 30-day window is the creation of grounds for denial of an exemption, not a criminal or civil penalty.

It is unclear whether denial of an exemption application is mandatory or discretionary if the application is not sent more than 30 days before entering Alaska waters. While Alaska law mandates an application be submitted 30 days prior to entering a pilotage area, it does not spell out consequences for that failure. This is, perhaps, an area where the Board can specify in regulation those consequences, perhaps with an additional fee or a mandatory denial. The scope of permissible regulation and discipline is beyond the range of this memo, and should be considered, if at all, with the help of legal counsel.

⁶ AS 08.62.160.

2015 and 2016 applications for exemption from mandatory pilotage requirements by foreign pleasure craft

Vessel	Date application received	Date application acted upon by Board	Region	Additional info
Endeavour	Not available*	5/27/15 (approved)	Not available*	*Additional information may be available through research of physical files. Please advise the MPC if such research is requested.
Meridian	2/9/15	2/20/15* (approved)	Not available	* Additional information requested from applicant on 2/9/15. Received on 2/13/15.
Aurora 2013	3/2/15	3/9/15*	Southeast Alaska	* Approved pending master attending radar certification course. Exemption issued 4/6/15.
Carolina	3/25/15	3/25/15 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay	
Rest Assured	3/25/15	3/26/15 (approved)	Southeast Alaska	
My Secret	4/4/15	4/21/15 (approved)	Southeast Alaska	
Atlantic	4/14/15	4/20/15 (approved)	Southeast Alaska	
Southern Way	4/14/15*	5/30/15 (approved)	Southeast Alaska	*Application deemed incomplete upon receipt, additional information received on 5/29/15.
Ice Bear	4/16/15	4/17/16 (approved)	Southeast Alaska	

2015 and 2016 applications for exemption from mandatory pilotage requirements by foreign pleasure craft

Vessel	Date application received	Date application acted upon by Board	Region	Additional info
Evviva	4/30/15	5/6/16 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound, Seward/Resurrection Bay, Cook Inlet, Kodiak Island Group, Alaska Peninsula/Aleutian Islands	
Mi Amere	5/3/15	6/16/15* (approved)	Southeast Alaska	* Additional information requested from applicant on multiple occasions.
Arrowhead	5/5/15	5/19/15 (approved)	Southeast Alaska	
Mi Tai Tai	5/7/15	5/11/15 (approved)	Southeast Alaska	
Toroa	5/7/15	5/7/15 (approved)	Southeast Alaska	
Be Mine	5/15/15	5/16/15 (approved)	Southeast Alaska	
Rasa	5/26/15	5/27/15 (approved)	Southeast Alaska	
Kya	5/27/15	5/28/15	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound	
Imagine D	5/29/15	5/29/16 (approved)	Southeast Alaska	
Black Pearl	6/2/15	6/5/15 (approved)	Southeast Alaska	
Call of North	6/5/15	6/15/15 (approved)	Southeast Alaska	
Pumula	6/11/15*	6/21/15 (approved)	Southeast Alaska	*Application deemed incomplete upon receipt, additional information requested and received.
Aldila	6/16/15	6/19/15 (approved)	Southeast Alaska	

2015 and 2016 applications for exemption from mandatory pilotage requirements by foreign pleasure craft

Vessel	Date application received	Date application acted upon by Board	Region	Additional info
My Sky	6/17/15	6/26/15 (approved)	Southeast Alaska	
Christopher	6/20/15	6/30/15 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound, Seward/Resurrection Bay, Cook Inlet, Kodiak Island Group, Alaska Peninsula/Aleutian Islands	
Nomadess	6/29/15	7/2/15 (approved)	Southeast Alaska	
Nordvind	7/7/15	7/10/15 (approved)	Southeast Alaska	
A2	2/26/16	3/18/16 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound, Seward/Resurrection Bay, Cook Inlet	
Amarella F	3/11/16	3/15/16 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound, Seward/Resurrection Bay, Cook Inlet, Kodiak Island Group, Alaska Peninsula/Aleutian Islands, Other areas	
Lagnappe	3/15/16	4/4/16 (approved)	Southeast Alaska	
Ice Bear	3/29/16	4/17/16 (approved)	Southeast Alaska	
Arctic Pride	4/4/16	4/6/16 (approved)	Southeast Alaska	
Sin or Swim	4/6/16	4/15/16 (approved)	Southeast Alaska	

2015 and 2016 applications for exemption from mandatory pilotage requirements by foreign pleasure craft

Vessel	Date application received	Date application acted upon by Board	Region	Additional info
Elisa	4/11/16	4/15/16 (approved)	Southeast Alaska	
Cielo Marie	5/2/16	5/3/16 (approved)	Southeast Alaska	
Rebel	5/2/16	5/3/16 (approved)	Southeast Alaska	
Rent Spent	5/13/16	5/16/16 (approved)	Southeast Alaska	
Double Haven	5/24/16	6/1/16 (approved)	Southeast Alaska	
Virginia Del Mar	6/1/16	6/8/16 (approved)	Southeast Alaska	
Kavil	6/8/16	6/14/16 (approved)	Southeast Alaska	
Stampede	6/14/16	6/17/16 (approved)	Southeast Alaska	
Annastar	6/22/16*	7/1/16 (approved)	Southeast Alaska	*Application deemed incomplete upon receipt, additional information received on 6/28/16.
Asahi	6/28/16	7/12/16 (approved)	Southeast Alaska, Yakutat/Disenchantment Bay, Icy Bay, Prince William Sound, Seward/Resurrection Bay, Cook Inlet, Kodiak Island Group, Alaska Peninsula/Aleutian Islands	
Tamsen	7/11/16	7/14/16 (approved)	Southeast Alaska	

Yacht Exemption Process Review
Author: Capt R. Preston 01/09/2016

Analytical Scheme: I compared 2015 & 2016 Exemption Application data (provided by MPC) to yachts' actual FIRST arrival date in SEAK (from SEAPA invoices)

	2015	2016
Total # of Yacht Exemptions Applied for :	26	17
Applications > 30 days prior to Arrival:	24	14
Applications < 30 days prior to Arrival:	2	3
Incomplete Applications returned for more info: (all were approved)	5	1
No Shows:	10	5

Case Specifics for those Applications submitted < 30 days prior to Arrival

Yacht Name	Application Date	Approved	Arrival Date
EVIVA	4/30/15	5/6/15	5/16/15
ENDEAVOR	No Data	5/27/15	6/3/15
ANNASTAR	6/22/16	7/1/16	<u>6/17/16</u>
DOUBLE HAVEN	5/24/16	6/1/16	6/3/16
STAMPEDE	6/14/16	6/17/16	<u>6/10/16</u>
TAMSEN	7/11/16	7/14/16	7/15/16

Inferences from the above Data:

1. Many yachts are complying with the 30 day application rule (24/26 in year 2015; 14/17 in 2016). Therefore, the yachting public seems well aware of the rule.
2. Those yachts that apply late are doing so VERY late. This implies either ignorance of the rule, or (more likely) late changes in the yacht's itinerary. Two yachts arrived PRIOR to application – yet were NOT inhibited from arriving.
3. Board response on late applications was within 7 days in all cases. Response was within 3 days in two cases.
4. NO exemptions were denied.
5. There were a large number of “no shows” in 2015. Cause is indeterminate.



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
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Main: 907.465.2548
Fax: 907.465.2974

**BOARD OF MARINE PILOTS
YACHT SUBCOMMITTEE TELECONFERENCE**

**ORIGINATING FROM THE STATE OFFICE BUILDING
333 W. WILLOUGHBY AVE.
9TH FLOOR, CONFERENCE ROOM 'B'
JUNEAU**

**DRAFT MEETING MINUTES
JANUARY 9, 2017**

These draft minutes have been prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Yacht Subcommittee.

In compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Yacht Subcommittee of the Board of Marine Pilots was held.

Item 1: Roll Call/Call to Order

Committee members present: Mr. Paul Axelson, Committee co-chairperson; Capt. Richard Preston, Committee co-chairperson; Capt. David Artz; Mr. Richard Erickson; Capt. John Herring.

Others present: Capt. Paul Merrill, President, Southeast Alaska Pilots Association; Ms. Shirley Marquardt, Member, Alaska Board of Marine Pilots; Capt. Hans Antonsen, Member, Alaska Board of Marine Pilots.

Division staff present: Charles Ward, Marine Pilot Coordinator.

Preston called the meeting to order at 1401 hours.

Item 2: Review of Timeline for Application for Foreign Pleasure Craft Exemption

Preston: Asked Ward to state the issue the Board had asked the committee to address.

Ward: Stated the issue was the requirement of AS 08.62.180(b) that applications for foreign pleasure craft exemptions be submitted to the Board 30 days before entering Alaskan waters and the legality of approving applications received less than 30 days before entry.

Preston: Summarized his report, which showed, in Southeast Alaska, 24 of 26 applicants for exemption applied more than 30 days before entering Alaskan waters during 2015. In 2016, there

were 17 applications for exemptions, with 13 being received more than 30 days before entry into Alaskan waters. Said boats that applied less than 30 days before entry into Alaskan waters either didn't know about Alaskan law, or had a schedule change. Said two boats applied after arriving in Alaskan waters, and were granted exemptions. Said business was not being turned away. Said the Board had been timely in its response to all applications, responding to all late applications within seven days.

Axelson: Stated the challenge is the statute. Said the only way to respond to the issue is to not grant an exemption.

Preston: Stated the concern was safety, and vessels are required to take on pilots for safety reasons. Said it was common in the travel industry to pay an extra fee, or fine, for late travel plans. Said because of those safety concerns, the Board should slow down and exemptions should not be valid until 30 days have passed following receipt of the application.

Axelson: Asked if a vessel is 15 days out, should it be told to wait?

Preston: Stated it should, or that it could take on a pilot.

Axelson: Asked if there was concern over turning business away.

Preston: Stated he didn't believe the state was turning business away. Said the numbers bear that out. Said boats with quick changes to travel plans will need to take on a pilot. Said the laws are there for a reason, and we should stick to them. Said it was important for boats requesting an exemption to show they could sail safely on their own in dangerous waters.

Axelson: Stated he didn't believe the diligence was any greater if the application was received 30 days out or less than that, since the Board had 10 business days to approve, disapprove or ask for more information. Said he did not want the state turning away 23 ½ percent of its business. Said the 10-business-day rule was adequate protection.

Preston: Stated the 30-day and 10-day rules should be bright lines.

Axelson: Stated the yacht *Stampede* came to Alaska with a mechanical issue, and would have stayed once the issue was fixed it been able to.

Preston: Stated that vessel could have stayed, it just would have had to take on a pilot.

Axelson: Stated taking on a pilot costs \$4,000 per day, and is not as easy as it sounds. Said the current standard is to apply and wait for the Board's response, not wait 30 days.

Preston: Stated the current standard isn't fair to the vessel that follows the rules.

Artz: Stated the discussion had been circling around the issue, and stated the Committee needed an opinion from the Department of Law.

Herring: Concurred with Artz. Stated Board member Hans Antonsen had been uncomfortable in granting exemptions to vessels that did not comply with the time limit.

Artz: Stated the Committee needed clarity on when the exemption came into effect.

Preston: Stated he understood the question and the Committee's need for clarity, even if he wasn't totally comfortable with the question.

Artz: Asked if there was information about the number of repeat visitors to Alaska needing exemptions. Preston and Axelson stated there was not.

Tasks: Ward to distribute his database and Preston's report to the Committee members. Ward to pose question to Department of Law.

Item 3: Approval of minutes

Ward stated he could not find a record of the Committee approving the minutes from the 9 May 2016 meeting. Axelson and Preston stated the minutes had been approved, but they could sign to that effect. Ward stated he would get a copy of the document to co-chairpersons Axelson and Preston for their signature.

There being no further business, the meeting adjourned at 1504 hours.

Respectfully submitted this 12th day of January, 2017

Charles Ward
Marine Pilot Coordinator

Paul Axelson
Co-chairperson

Richard Preston
Co-chairperson

Item 7. Investigative Report



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

550 West Seventh Avenue, Suite 1500
Anchorage, Alaska 99501-3567
Main: 907.269.8160
Fax: 907.269.8195

MEMORANDUM

DATE: January 10, 2017
TO: All Members, Alaska Board of Marine Pilots
THRU: Angela Birt, Chief Investigator
FROM: Charles Ward, Investigator
RE: Investigative Report for the January 26, 2017, Meeting

The following information was compiled as an investigative report to the Board for the period of October 13, 2016, through January 10, 2017. This report includes all investigations, complaints, and intake matters handled since the last report. The Division **opened 1 matter** and **closed 2 matters**. **1 matter** remains on-going and under active investigation or pending litigation (as indicated by italics).

<u>CASE #</u>	<u>OPENED</u>	<u>COMPLAINT/INVESTIGATION</u>	<u>PROFESSION</u>
2016-001077	8/16/2016	Prohibited Activities	FPC Exemption

OPEN: TOTAL = 1 (*does not include intakes*)

INVESTIGATIVE ACTIONS CLOSED SINCE LAST MEETING

2016-001325	Prohibited Activities	Closed – Incomplete Complaint
2016-000652	Incompetence	Closed – No Action - No Violation

CLOSED: TOTAL = 2 (*does not include intakes*)

<u>INTAKES OPENED OR CLOSED</u>	<u>STATUS</u>
2016-001451	Opened/Pending

There are no licensees from this program are on probation, at this time.

<u>NAME</u>	<u>START OF PROBATION</u>	<u>END OF PROBATION</u>
None.		

PROBATION CASES: TOTAL = 0

END OF REPORT

Item 9. Business Items

Renewals



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
Juneau, AK 99811-0806
Main: 907.465.2548
Fax: 907.465.2974

To: All members, Alaska Board of Marine Pilots

From: Charles Ward, Marine Pilot Coordinator 

Re: 2016-18 renewal

Date: 12 January 2017

I processed 66 marine pilot license renewal applications and five vessel agent registration renewals from the period 17 October 2016 – 6 January 2017.

The average time between receipt of an initial application and my initial response was 22.68 days. The average time between receipt of an initial application and the mailing of a license (with new ID card) was 30.97 days.

The Division's expectation for processing a complete renewal is four to six weeks. While the averages above are well within that time frame, 12 applicants did not receive a first contact within that timeframe and 18 did not receive their licenses within that timeframe.

I will enjoy a greater familiarity with the process during the next renewal, and will not have to complete tasks as the Paralegal II during the next renewal, which should reduce my response time considerably during the 2018-20 renewal. However, all Division employees are called on to multitask from time to time, so I will not be completely without other duties.

Fourteen marine pilots did not renew their licenses by 6 January 2017. Four vessel agents did not renew their registrations by 6 January 2017.

Review of Board Actions

Board actions since 13 October 2016

Date	Motion	Voting Tabulation	Action
11/30/16	Approve unrestricted marine pilot's license for Andrew Wakefield (117887)	Arzt (Y), Antonsen (Y), Hladick (Y), Erickson (Y), Rueter (Y), Marquardt (NR), Mack (NR)	Approved 5-0.
11/30/16	Approve VLCC endorsement for Marine Pilot Andrew Wakefield (117887)	Arzt (Y), Antonsen (Y), Hladick (Y), Erickson (Y), Rueter (Y), Marquardt (NR), Mack (NR)	Approved 5-0.
12/22/16	Approve training pilot endorsement for Marine Pilot Levi Benedict (MARM204)	Erickson (Y), Marquardt (Y), Antonsen (Y), Artz (Y), Rueter (NR), Hladick (NR), Mack (NR)	Approved 4-0.
1/6/17	Approve upgrade to 65KGT for Deputy Marine Pilot Carolyn Vermette (108261)	Hladick (Y), Artz (Y), Antonsen (Y), Rueter (Y), Marquardt (Y), Mack (NR), Erickson (NR)	Approved 5-0.

Financial Report

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Board of Marine Pilots
Schedule of Revenues and Expenditures

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY16
Licensing Revenue	92,661	306,992	80,455	286,500	48,500	277,450	65,188
Allowable Third Party Reimbursement	-	-	-	-	-	-	-
Total Revenue	92,661	306,992	80,455	286,500	48,500	277,450	65,188
Direct Expenditures							
Personal Services	116,502	119,314	121,210	80,201	94,567	80,155	62,067
Travel	17,541	10,528	17,931	14,535	14,262	14,410	11,698
Contractual	54,165	37,102	22,548	37,492	22,691	12,220	7,882
Supplies	313	1,661	436	472	108	734	541
Equipment	-	-	-	-	-	-	-
Total Direct Expenditures	188,521	168,605	162,125	132,699	131,627	107,520	82,188
Indirect Expenditures*	4,740	4,688	6,745	7,573	20,190	23,509	18,156
Total Expenses	193,261	173,293	168,870	140,273	151,818	131,029	100,344
Annual Surplus (Deficit)	(100,600)	133,699	(88,415)	146,227	(103,318)	146,421	(35,157)
Beginning Cumulative Surplus (Deficit)	2,792	(97,808)	35,891	(52,524)	93,703	(9,615)	136,806
Ending Cumulative Surplus (Deficit)	(97,808)	35,891	(52,524)	93,703	(9,615)	136,806	101,650

* The first three quarters are based on the prior fiscal year's indirect costs. The 4th quarter board reports reflect the current year's actual indirect expenses allocated to the boards.

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Activity Code	(Multiple Items)	Board of Marine Pilots Foreign Pleasure Craft	
Object Code	Sum of Expenditures	Sum of Encumbrances	Sum of Exp+Enc
1011 - Regular Compensation	35,622	0	35,622
1021 - Allowances to Employees	396	0	396
1023 - Leave Taken	4,255	0	4,255
1028 - Alaska Supplemental Benefit	2,445	0	2,445
1029 - Public Employee's Retirement System Defined Benefits	677	0	677
1030 - Public Employee's Retirement System Defined Contribution	1,791	0	1,791
1034 - Public Employee's Retirement System Defined Cont Health Reim	953	0	953
1035 - Public Employee's Retirement Sys Defined Cont Retiree Medical	576	0	576
1037 - Public Employee's Retirement Sys Defined Benefit Unfnd Liab	4,252	0	4,252
1039 - Unemployment Insurance	105	0	105
1040 - Group Health Insurance	8,689	0	8,689
1041 - Basic Life and Travel	22	0	22
1042 - Worker's Compensation Insurance	380	0	380
1047 - Leave Cash In Employer Charge	892	0	892
1048 - Terminal Leave Employer Charge	430	0	430
1053 - Medicare Tax	558	0	558
1077 - ASEA Legal Trust	5	0	5
1079 - ASEA Injury Leave Usage	0	0	0
1080 - SU Legal Trst	0	0	0
1970 - Personal Services Transfer	16	0	16
2000 - In-State Employee Airfare	1,125	0	1,125
2001 - In-State Employee Surface Transportation	178	0	178
2002 - In-State Employee Lodging	396	0	396
2003 - In-State Employee Meals and Incidentals	412	0	412
2005 - In-State Non-Employee Airfare	2,529	0	2,529
2007 - In-State Non-Employee Lodging	517	0	517
2008 - In-State Non-Employee Meals and Incidentals	1,356	0	1,356
2009 - In-State Non-Employee Taxable Per Diem	30	0	30
2010 - In-State Non-Employee Non-Taxable Reimbursement	5,156	0	5,156
3004 - Accounting/Auditing	495	0	495
3044 - Courier	0	0	0
3045 - Postage	14	0	14
3046 - Advertising	2,099	0	2,099
3057 - Structure, Infrastructure and Land - Rentals/Leases	1,800	0	1,800
3067 - Honorariums/Stipend	48	0	48
3069 - Commission Sales	30	0	30
3085 - Inter-Agency Mail	438	0	438
3088 - Inter-Agency Legal	2,958	0	2,958
4002 - Business Supplies	541	0	541
Grand Total	82,188	0	82,188

Grand Total Equals Direct Expenditures on Board Report

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Board of Marine Pilots
Schedule of Revenues and Expenditures

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY17 1st Qtr
Licensing Revenue	92,661	306,992	80,455	286,500	48,500	277,450	65,188	10,050
Allowable Third Party Reimbursement	-	-	-	-	-	-	-	-
Total Revenue	92,661	306,992	80,455	286,500	48,500	277,450	65,188	10,050
Direct Expenditures								
Personal Services	116,502	119,314	121,210	80,201	94,567	80,155	62,067	609
Travel	17,541	10,528	17,931	14,535	14,262	14,410	11,698	864
Contractual	54,165	37,102	22,548	37,492	22,691	12,220	7,882	2,467
Supplies	313	1,661	436	472	108	734	541	-
Equipment	-	-	-	-	-	-	-	-
Total Direct Expenditures	188,521	168,605	162,125	132,699	131,627	107,520	82,188	3,940
Indirect Expenditures*	4,740	4,688	6,745	7,573	20,190	23,509	18,156	4,539
Total Expenses	193,261	173,293	168,870	140,273	151,818	131,029	100,344	8,479
Annual Surplus (Deficit)	(100,600)	133,699	(88,415)	146,227	(103,318)	146,421	(35,157)	1,571
Beginning Cumulative Surplus (Deficit)	2,792	(97,808)	35,891	(52,524)	93,703	(9,615)	136,806	101,650
Ending Cumulative Surplus (Deficit)	(97,808)	35,891	(52,524)	93,703	(9,615)	136,806	101,650	103,221

* For the first three quarters, indirect costs are based on the prior fiscal year's total indirect amount. The 4th quarter board reports reflect the current year's actual indirect expenses allocated to the boards.

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Activity Code (Multiple Items)	Board of Marine Pilots
Budget Fiscal Year (All)	Foreign Pleasure Craft

Object Code	Object Name	Sum of Expenditures	Encumbrances	Sum of Exp + Enc
1011	Regular Compensation	401	0	401
1023	Leave Taken	52	0	52
1028	Alaska Supplemental Benefit	28	0	28
1029	Public Employee's Retirement System Defined Benefits	96	0	96
1030	Public Employee's Retirement System Defined Contributi	1	0	1
1034	Public Employee's Retirement System Defined Cont Health	1	0	1
1035	Public Employee's Retirement Sys Defined Cont Retiree M	0	0	0
1037	Public Employee's Retirement Sys Defined Benefit Unfnd L	2	0	2
1039	Unemployment Insurance	1	0	1
1042	Worker's Compensation Insurance	5	0	5
1047	Leave Cash In Employer Charge	10	0	10
1048	Terminal Leave Employer Charge	5	0	5
1053	Medicare Tax	6	0	6
1077	ASEA Legal Trust	0	0	0
2008	In-State Non-Employee Meals and Incidentals	120	0	120
2010	In-State Non-Employee Non-Taxable Reimbursement	744	0	744
3023	Expert Witness	2,382	0	2,382
3046	Advertising	84	0	84
Grand Total		3,940	0	3,940

Grand Total Equals Direct Expenditures on Board Report

Item 10. Regulations Status Report

Length Overall

Chapter 56. Board of Marine Pilots.

at Publisher: To reflect the addition of 12 AAC 56.115(a)(5), delete the "and" connector at the end of 12 AAC 56.115(a)(3). I've already inserted an "and" of 12 AAC 56.115(a)(4).

12 AAC 56.115(a)(4) is amended to read:

(4) report [SUBMIT A COPY OF] the vessel's [REGISTRY TO THE MARINE

PILOT COORDINATOR AT TIME OF APPLICATION; THE] length overall (LOA) to the
marine pilot coordinator ^{is the} ~~using the definition in 12 AAC 56.990(a)(4); this length~~ ^{overall} [OF THE
VESSEL IDENTIFIED ON THE VESSEL'S REGISTRY] shall be used to determine
exemption status and to ^{and} calculate the fee set out in AS 08.62.140(b)₂ [.]

12 AAC 56.115(a) is amended by adding a new paragraph to read:

(5) submit a copy of the vessel's registry. ^{to the marine pilot coordinator}

(Eff. 2/12/2005, Register 173; am 7/15/2006, Register 179; am 10/28/2010, Register 196; am
7/4/2012, Register 203; am 1/4/2014, Register 209; am 5/18/2014, Register 210; am
____/____/____, Register ____)

Authority: AS 08.62.040 AS 08.62.180

12 AAC 56.990(a) is amended by adding a new ^{subsection} paragraph to read:

~~For~~ (e) As used in AS 08.62.140, 08.62.180, and 12 AAC 56.115,
² (40) "overall length" and "length overall" ~~as used in AS 08.62.180 and~~

~~12 AAC 56.115~~ means the horizontal distance between the forward-most and after-most points
on the hull, excluding fittings and attachments. ↑

(Eff. 6/11/71, Register 38; am 6/19/74, Register 50; am 5/12/78, Register 66; am 7/24/83,
Register 87; am 12/26/86, Register 100; am 8/29/87, Register 103; am 7/26/90, Register 115; am

Register _____, _____ 2017 PROFESSIONAL REGULATIONS

5/13/92, Register 122; am 4/7/93, Register 126; am 10/2/93, Register 127; am 7/15/95, Register 135; am 6/16/96, Register 138; am 6/17/96, Register 138; am 1/23/99, Register 149; am 3/21/99, Register 149; am 5/31/2000, Register 154; am 3/15/2002, Register 161; am 10/24/2002, Register 164; am 5/26/2007, Register 182; am 1/29/2009, Register 189; am 11/4/2009, Register 192; am

(am 10/9/2010, Register 220;)
10/28/2010, Register 196; am ____/____/____, Register ____)

Authority: AS 08.62.040 AS 08.62.160

Bieli Rocks and Kiska Harbor

Regulations FAQ Worksheet

☐ CBPL ☐ Board: _____ Meeting Date: _____
Regulations being amended: 12 AAC _____
General topic of regulations: _____

This worksheet is designed to help develop a list of Frequently Asked Questions (FAQ) in anticipation of an agency or board regulations project. Staff will walk the board through this worksheet at the time a regulations project is being approved for public notice. It will be used to develop a FAQ to be posted on the board's web page to help the public understand the project. Staff will submit the completed worksheet with the draft board minutes to the Paralegal I within 10 days of the meeting.

What will this regulation do?

What is the public need or purpose of this regulation?

What is the known or estimated cost of the new regulation to a private person, another state agency, or a municipality?

What positive consequences may this regulation have on public or private people, businesses, or organizations?

What negative consequences may this regulation have on public or private people, businesses, or organizations?

If any negative consequences, please address the reasons why the public need for this change outweighs the negative impact.

List any additional questions or comments that may arise from the public during the comment period. Include a response to the questions.

Staff submitting this worksheet: _____ Date submitted to Paralegal I: _____

Chapter 56. Board of Marine Pilots.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted. Complete new sections are not underlined.)

12 AAC 56.120(a)(50) is amended to read:

(50) Kiska Harbor – 1.0 mile 270° true from Little Kiska Head; approximate position **52°** [51°] 58.5' north latitude, 177° 36.5' **east** [WEST] longitude; [.]

12 AAC 56.120(a) is amended by adding a new paragraph to read:

(55) Bieli Rocks – 1.0 mile 315° true from Bieli Rocks; approximate position 57° 6' north latitude, 135° 31' west longitude.

(Eff. 3/30/86, Register 97; am 8/29/87, Register 103; am 4/12/89, Register 110; am 6/17/90, Register 114; em am 7/2/90 - 10/29/90, Register 115; am 8/17/91, Register 119; am 11/7/93, Register 128; am 11/10/93, Register 128; am 5/29/96, Register 138; am 6/17/96, Register 138; am 1/23/99, Register 149; am 3/21/99, Register 149; am 5/31/2000, Register 154; am 6/24/2012, Register 202; am 8/18/2015, Register 215; am ____/____/____, Register ____)

Authority: AS 08.62.040

Item 12. Rate Filing Objections

Objection to SWAPA filing

Sec. 08.62.046. Rates for pilotage services. (a) A pilot organization recognized by the board shall adopt and publish rates for the provision of pilotage services. The pilot organization shall adopt rates for pilotage services as provided under this section. Notwithstanding this section, a pilot organization may enter into agreements with the master, owner, operator, or agent of a master, owner, or operator, of a vessel for the provision of pilotage services at rates of compensation that are different from the rates adopted under this section. Unless a pilot organization has an agreement with the master, owner, operator, or agent of a master, owner, or operator, of a vessel that sets rates for the provision of a pilotage service, the pilot organization may not charge a rate for the provision of the pilotage service to the vessel that is different from the rate adopted or established under this section.

(b) If a pilot organization intends to adopt a new or revised rate for the provision of a pilotage service, the pilot organization shall, before October 15, send a notice of intent to adopt a rate for provision of the pilotage service to the board and to all registered agents and publish the notice on at least three days during a period of 14 consecutive days in a newspaper of general circulation in the state. The notice of intent to adopt a rate must include a copy of the proposed rate and the name and mailing address of the pilot organization that intends to adopt the rate. If no objection to the proposed rate is filed with the board under (c) of this section, the rate takes effect on January 1 of the year following the year in which the notice of the intent to adopt the rate was filed with the board.

(c) The master, owner, operator, or agent of the master, owner, or operator, of a vessel required to employ a pilot under this chapter may object to the proposed rate for a specific pilotage service by filing a written notice of objection, containing the grounds for the objection and relevant evidence demonstrating that the rate is not reasonable, with the board within 60 days after the final date of publication of the proposed rate in a newspaper of general circulation. The pilot organization that proposed the rate has until 15 days after the close of the period for filing objections to the proposed rate to provide its written response to the notice of objection and relevant evidence demonstrating that the rate is reasonable. If the pilot organization does not respond to the notice of objection by the close of the 15-day period for response to the objection, the board may not take action on the proposed rate and the proposed rate does not take effect. If the pilot organization does respond to the notice of objection before the close of the response period, the board shall hold a hearing to determine whether the proposed rate is reasonable. If the board finds that the proposed rate is reasonable, the rate is approved and takes effect retroactive to January 1 of the calendar year in which the rate would have taken effect under (b) of this section if no objection had been filed. If the board finds that the proposed rate is not reasonable, the proposed rate is disapproved and does not take effect. In determining what constitutes a reasonable rate, the board shall consider the following factors:

- (1) current and historical rates charged for comparable pilotage services;
- (2) the actual time aboard the vessel, time engaged in preparing to provide the pilotage services, seasonal and weather conditions, and risks;
- (3) the reasonable expenses incurred in provided the pilotage services such as dispatch, transportation, overhead, and other associated expenses;
- (4) the financial effect of pilotage expenses on the owner of the vessel, except that this factor shall only be considered if the owner provides all financial information that the board determines is necessary to determine the financial effect;

(5) the number of vessels and volume of pilotage services at issue in the dispute and the number of members of the pilot organization;

(6) the effect of the determination on the income of affected pilots relative to prior years, taking into account changes in vessel tonnage and vessel traffic in the pilotage region from year-to-year;

(7) prior determinations under this subsection; and

(8) other factors the board considers relevant.

(d) Pending the review and approval of the proposed rate for a specific pilotage service by the board under (c) of this section, the current rate then in effect for that pilotage service remains in effect until the board approves the proposed rate. If the proposed rate approved by the board is greater than the current rate, then the master, owner, or operator of the vessel or the vessel is liable for the payment of the additional amount owed for the provision of pilotage services during the pendency of the review by the board due to retroactive application of the approved rate under (c) of this section. If the proposed rate is less than the current rate, then the pilot organization is liable to the master, owner, or operator of the vessel or the vessel for reimbursement of the amount overpaid for the provision of pilotage services during the pendency of the review by the board due to the retroactive application of the approved rate under (c) of this section.

(e) If the board finds under (c) of this section that a proposed rate is not reasonable, the pilot organization may propose a new rate for that pilotage service within 60 days after the decision of the board is issued by sending a notice of intent to adopt a rate for provision of the pilotage service to the board and to all registered agents and publishing the notice on at least three days during a period of 14 consecutive days in a newspaper of general circulation in the state. The notice of intent to adopt a rate must include a copy of the proposed rate and the name and mailing address of the pilot organization that intends to adopt the rate. If a timely objection to the proposed rate is not filed with the board under (c) of this section, the rate takes effect retroactive to January 1 of the same calendar year in which the initial rate proposed under (b) of this section would have taken effect if no objection had been filed. If a timely objection is filed, the provisions of (c) and (d) of this subsection apply to the proposed rate.

(f) The board shall provide a schedule of rates adopted under this section to agents registered under AS 08.62.187.

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

October 11, 2016

Ms. Sara Chambers
Interim Marine Pilot Coordinator
Alaska Board of Marine Pilots
P.O. Box 110806
Juneau, Alaska 99811

Dear Ms. Chambers,

Re: Alaska Board of Marine Pilots / Required publishing of rate changes

Enclosed please find the newspaper legal notice to be published in a newspaper of general circulation in Alaska, October 12th, 13th & 14th, 2016 as per Alaska Statute 08.62.046.

Copies are being sent via certified mail to all registered agents.

Sincerely,

Capt. Michael J. O'Hara

Captain Michael J. O'Hara
President/SWAPA

by Jtz

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

NOTICE OF INTENT TO REVISE PILOTAGE RATE SCHEDULE AS PER AS 08.62.046

- A. Name and Mailing Address of Pilot Organization:**
Southwest Alaska Pilots Association (SWAPA), P.O. Box 977, Homer, AK 99603
- B. Time and Adoption of the Rate Schedule:**
January 1, 2017
- C. Place and Adoption of the Rate Schedule:**
Southwestern Alaska, Region II.
- D. Proposed Rates for SWAPA:** **COOK INLET LNG CARRIERS**

As subject to the following USCG COTP Rule:

ALASKA-COOK INLET-SECURITY ZONE

The following areas are established as security zones during the specified conditions: All navigable waters within a 1000-yard radius of the Liquefied Natural Gas (LNG) tankers during their inbound and outbound transits through Cook Inlet, Alaska between the Phillips Petroleum LNG Pier, 60-40-43N and 151-24-10W, and the Homer Pilot Station at 59-34-86N and 151-25-74W. On the inbound transit, this security zone remains in effect until the tanker is alongside the Phillips Petroleum LNG Pier, 60-40-43N and 151-24-10W. All navigable waters within a 1000-yard radius of the Liquefied Natural Gas tankers while they are moored at Phillips Petroleum LNG Pier, 60-40-43N and 151-24-10W.

<u>Port Rate</u>	<u>Rates</u>	<u>B.W.T./Hours</u>
P/S Homer to Nikiski	\$2,797.32	14.0

Bridge Time in excess of eight (8) hours - rate of \$199.04 per hour.

Bridge Watch at Master's request - rate of \$199.04 per hour.

Standby/Travel - rate of \$199.04 per hour applied when limits of B.W.T. have been exceeded.

Gross Tonnage Rates \$0.0753 per IGT.

Second pilot charges assessed whenever SWAPA dispatches two pilots:

Port Rate	100% of first pilot
Standby/Travel	100% of first pilot
Int'l Gross Tons	100% of first pilot

These charges are in addition to normal reimbursable travel expenses.

Cancellations: When the agent, owner, or master of a vessel sets the time of movement in accordance with 12 AAC 56.205 (a), if the order is cancelled with less than 24 hours' notice and the pilot has not reported for duty or left for the job, SWAPA reserves the right to charge the following fees:

A vessel that cancels a request for a pilot within 12-24 hours of the time service was requested shall be charged a cancellation fee equal to two hours at \$199.04 per hour. A vessel that cancels

SOUTHWEST ALASKA PILOTS ASSOCIATION

a request for a pilot with less than 12 hours' notice of the time service was requested shall be charged a cancellation fee equal to four hours at \$199.04 per hour. If a cancellation, change or delay to the time set is made with less than 24 hours' notice and a pilot has reported for duty or has left for the job, a cancellation fee will not be charged but normal billing rates shall apply. Cancellations, delays or late changes may therefore incur extra hourly costs and travel expenses due to pilot already being on standby and/or traveling in an attempt to provide service as requested.

Late Notice: If less than 24 hours' notice is given to set the time of movement [as required under 12 AAC 56.205 (a)] but a pilot is able to reach the vessel to render pilot services as requested, SWAPA reserves the right to charge the following fees in addition to all other appropriate billing rates and travel expenses:

Less than 24 but more than 12 hours' notice: a late notice fee equal to two hours at \$199.04 per hour.

Less than 12 hours' notice: a late notice fee equal to four hours at \$199.04 per hour.

Payment for pilot rates and charges due upon receipt of invoice. An interest rate charge of 1.5% per month will be assessed on all balances remaining unpaid after 45 days from date of the invoice.

These rates and charges are separate and distinct as developed with due regard for statutory limitation of liability.

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

October 11, 2016

Ms. Sara Chambers
Interim Marine Pilot Coordinator
Alaska Board of Marine Pilots
P.O. Box 110806
Juneau, Alaska 99811

Dear Ms. Chambers,

Re: Alaska Board of Marine Pilots / Required publishing of rate changes

Enclosed please find the newspaper legal notice to be published in a newspaper of general circulation in Alaska, October 12th, 13th & 14th, 2016 as per Alaska Statute 08.62.046.

Copies are being sent via certified mail to all registered agents.

Sincerely,



Captain Michael J. O'Hara
President/SWAPA

by Jcz

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

NOTICE OF INTENT TO REVISE PILOTAGE RATE SCHEDULE AS PER AS 08.62.046

- A. Name and Mailing Address of Pilot Organization:**
Southwest Alaska Pilots Association (SWAPA), P.O. Box 977, Homer, AK 99603
- B. Time and Adoption of the Rate Schedule:**
January 1, 2017
- C. Place and Adoption of the Rate Schedule:**
Southwestern Alaska, Region II.
- D. Proposed Rates for SWAPA: CRUISE SHIPS:CLASS RATES**

<u>CLASS</u>	<u>HOURS PER PILOT</u>	<u>CLASS RATES PER PILOT</u>	
	<u>FROM</u>	<u>TO</u>	
I	44	50	\$ 9,815.48
II	Greater than 50	55	\$10,859.69
III	Greater than 55	60	\$12,008.32
IV	Greater than 60	66	\$13,261.34
V	Greater than 66	73	\$14,514.39
VI	Greater than 73	80	\$15,871.86
VII	Greater than 80	85	\$17,124.89
VIII	Greater than 85	92	\$18,482.35
IX	Greater than 92	98	\$19,944.24

Gross Tonnage Rates:

IGT in excess of	5,000	\$0.0149
IGT in excess of	14,000	\$0.0172
IGT in excess of	50,000	\$0.0187
IGT in excess of	75,000	\$0.0056
IGT in excess of	100,000	\$0.0112

Class Rates shall be double for Two Pilots.

When a pilot exceeds eight continuous hours on duty without a six hour rest period or presence of a relief pilot while transiting compulsory pilotage waters, overtime may be charged.

Cancellations: When the agent, owner, or master of a vessel sets the time of movement in accordance with 12 AAC 56.205 (a), if the order is cancelled with less than 24 hours' notice and the pilot has not reported for duty or left for the job, SWAPA reserves the right to charge the following fees:

A vessel that cancels a request for a pilot within 12-24 hours of the time service was requested shall be charged a cancellation fee equal to two hours at \$208.63 per hour. A vessel that cancels a request for a pilot with less than 12 hours' notice of the time service was requested shall be charged a cancellation fee equal to four hours at \$208.63 per hour. If a cancellation, change or delay to the time set is made with less than 24 hours' notice and a pilot has reported for duty or

SOUTHWEST ALASKA PILOTS ASSOCIATION

has left for the job, a cancellation fee will not be charged but normal billing rates shall apply. Cancellations, delays or late changes may therefore incur extra hourly costs and travel expenses due to pilot already being on standby and/or traveling in an attempt to provide service as requested.

Late Notice: If less than 24 hours' notice is given to set the time of movement [as required under 12 AAC 56.205 (a)] but a pilot is able to reach the vessel to render pilot services as requested, SWAPA reserves the right to charge the following fees in addition to all other appropriate billing rates and travel expenses:

Less than 24 but more than 12 hours' notice: a late notice fee equal to two hours at \$208.63 per hour.

Less than 12 hours' notice: a late notice fee equal to four hours at \$208.63 per hour.

Payment for pilot rates and charges is due upon receipt of invoice. An interest rate charge of 1.5% per month will be assessed on all balances remaining unpaid after 45 days from the date of the invoice.

All other applicable provisions and charges stated in the published rates for Region II shall apply except for those charges and rates shown above.

These rates and charges are separate and distinct as developed with due regard for statutory limitation of liability.

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

October 11, 2016

Ms. Sara Chambers
Interim Marine Pilot Coordinator
Alaska Board of Marine Pilots
P.O. Box 110806
Juneau, Alaska 99811

Dear Ms. Chambers,

Re: Alaska Board of Marine Pilots / Required publishing of rate changes

Enclosed please find the newspaper legal notice to be published in a newspaper of general circulation in Alaska, October 12th, 13th & 14th, 2016 as per Alaska Statute 08.62.046.

Copies are being sent via certified mail to all registered agents.

Sincerely,



Captain Michael J. O'Hara by Jlz
President/SWAPA

SOUTHWEST ALASKA PILOTS ASSOCIATION

P.O. Box 977
Homer, Alaska 99603

Tel: (907) 235-8783
Fax: (907) 235-6119

NOTICE OF INTENT TO REVISE **PILOTAGE RATE SCHEDULE** **AS PER AS 08.62.046**

- A. Name and Mailing Address of Pilot Organization:**
Southwest Alaska Pilots Association (SWAPA), P.O. Box 977, Homer, AK 99603
- B. Time and Adoption of the Rate Schedule:**
January 1, 2017
- C. Place and Adoption of the Rate Schedule:**
Southwestern Alaska, Region II.
- D. Proposed Rates for SWAPA: NON STANDARD OPERATIONS**

Rates for pilotage service rendered to vessels engaged in non-standard operations not covered by other published Region II rates.

SWAPA will charge \$216.47 per hour for each pilot assigned to a vessel engaged in non-standard operations. Chargeable time will include bridge time, travel time and standby time based on the most efficient means of travel to and from the vessel.

In the event a vessel engaged in non-standard operations requires pilotage service in excess of 72 hours then SWAPA, at their option, will change out pilots at intervals not to exceed 72 hours including travel and standby time.

A Length Overall Charge (LOA) shall be assessed as a percent of the total invoice less reimbursable expenses as shown:

Less than 450 feet	0 – Percent
More than 450 less than 500 feet	5 – Percent
More than 500 less than 550 feet	15 – Percent
More than 550 less than 600 feet	25 – Percent
Over 600 feet	40 – Percent

These charges are in addition to normal reimbursable travel expenses. SWAPA will charge a vessel unwilling or unable to furnish separate sleeping and bath officer grade accommodations at the per diem hotel rate for each pilot onboard the vessel more than 15 hours.

Cancellations: When the agent, owner, or master of a vessel sets the time of movement in accordance with 12 AAC 56.205 (a), if the order is cancelled with less than 24 hours' notice and the pilot has not reported for duty or left for the job, SWAPA reserves the right to charge the following fees: A vessel that cancels a request for a pilot within 12-24 hours of the time service was requested shall be charged a cancellation fee equal to two hours of the non-standard hourly rate. A vessel that cancels a request for a pilot with less than 12 hours' notice of the time service was requested shall be charged a cancellation fee equal to four hours of the non-standard hourly rate. If a cancellation, change or delay to the time set is made with less than 24 hours' notice and a pilot has reported for duty or has left for the job, a cancellation fee will not be charged but normal billing rates shall apply. Cancellations, delays or

SOUTHWEST ALASKA PILOTS ASSOCIATION

late changes may therefore incur extra hourly costs and travel expenses due to pilot already being on standby and/or traveling in an attempt to provide service as requested.

Late Notice: If less than 24 hours' notice is given to set the time of movement [as required under 12 AAC 56.205 (a)] but a pilot is able to reach the vessel to render pilot services as requested, SWAPA reserves the right to charge the following fees in addition to all other appropriate billing rates and travel expenses:

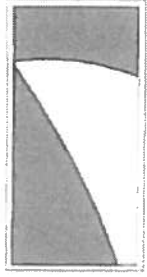
Less than 24 but more than 12 hours' notice: a late notice fee equal to two hours of the non-standard hourly rate.

Less than 12 hours' notice: a late notice fee equal to four hours of the non-standard hourly rate.

Payment for pilot rates and charges are due upon receipt of invoice. An interest rate charge of 1.5% per month will be assessed on all balances remaining unpaid after 45 days from the date of the invoice.

These rates and charges are separate and distinct as developed with due regard for statutory limitation of liability.

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

RECEIVED
Juneau

DEC 01 2016

CBPL

December 1, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Subject: Objection to Southwest Alaska Pilots Association Notice of Intention to Adopt Rates for Pilotage Services for Cook Inlet LNG Carriers

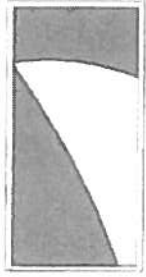
In accordance with AS 08.62.046(c), I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southwest Alaska Pilots Association October 2016 filing for Cook Inlet LNG Carriers. ASA membership is comprised of vessel owners, operators, and agents.

There are currently no Cook Inlet LNG Carriers and therefore, no pilotage service covered by this rate. Without current customers, SWAPA is unable to demonstrate any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services to LNG Carriers. A published rate cannot be considered reasonable or be approved, without consideration of these and other factors listed in AS 08.62.046,

Sincerely,

Mike Tibbles
Executive Director

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

RECEIVED
Juneau

DEC 01 2016

BPL

December 1, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Subject: Objection to Southwest Alaska Pilots Association Notice of Intention to Revise Rates
for Pilotage Services for Non-Standard Operations

In accordance with AS 08.62.046(c), I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southwest Alaska Pilots Association October 2016 filing for Non-Standard Operations. ASA membership is comprised of vessel owners, operators, and agents.

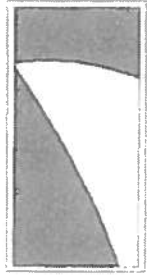
SWAPA's notice of intent to revise rates for Non-Standard Operations did not address any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services. These are all factors listed in AS 08.62.046 and are items which must be considered before a rate can be found to be reasonable.

Sincerely,

A handwritten signature in black ink that reads "Mike Tibbles". The signature is fluid and cursive.

Mike Tibbles
Executive Director

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

RECEIVED
Juneau

DEC 01 2016

CPD

December 1, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Subject: Objection to Southwest Alaska Pilots Association Notice of Intention to Revise Pilotage Rates for Cruise Ship Class

In accordance with AS 08.62.046(c), I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southwest Alaska Pilots Association October 2016 filing for Cruise Ship Class Rates. ASA membership is comprised of vessel owners, operators, and agents.

The published rate represents a 14% increase over the rates currently in effect. In addition, the published rate creates two new categories of tonnage surcharges, which depending on the size of the vessel, can add a substantial increase in costs for the exact same service being provided today.

SWAPA has not demonstrated any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services to cruise ships. SWAPA has not provided any information about any additional training or demands required to provide pilotage services to larger vessels above what is currently provided.

For the above reasons, we believe the published 2017 rate for cruise ship class is unreasonable.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Tibbles".

Mike Tibbles
Executive Director



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
Juneau, AK 99811-0806
Main: 907.465.2548
Fax: 907.465.2974

December 7, 2016

Via Certified and First-Class Mail and Email

Capt. Michael O'Hara
President, Southwest Alaska Pilots Association
P.O. Box 977
Homer, AK 99603
Email: swpilots@ak.net

Re: Objections to SWAPA's Notice of Intention to Adopt 2017 Rates

Dear Capt. O'Hara:

The Alaska Steamship Association has filed objections to SWAPA's Notice of Intention to Adopt Rates for 2017. Copies of those objections are enclosed with this letter.

The Board received the objections on December 1, 2016, and these objections appear to be timely filed in accordance with AS 08.62.046(c). In accordance with that statute, SWAPA has until **December 28, 2016** to submit a written response and evidence its proposed rates are reasonable.

If SWAPA does not file such a written response, the proposed rates will not take effect. If SWAPA does file such a written response in a timely manner, the Board will hold a hearing on the matter.

For your reference, I have enclosed a copy of AS 08.62.046.

I am happy to answer any questions or provide any additional information I can. However, please note I cannot provide legal advice. I can be reached at (907) 465-1673, by email at charles.ward@alaska.gov or at the address above.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Ward", written over the word "Sincerely,".

Charles Ward
Marine Pilot Coordinator

Enclosures

CC: All members, Alaska Board of Marine Pilots
Sara Chambers, Division Operations Manager



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
Juneau, AK 99811-0806
Main: 907.465.2548
Fax: 907.465.2974

December 7, 2016

Via Certified and First-Class Mail and Email

Mike Tibbles
Executive Director, Alaska Steamship Association
217 Second St.
Suite 202
Juneau, AK 99801
Email: tibbles@alaska.net

Re: Receipt of objections to SWAPA's Notice of Intention to Adopt 2017 rates

Dear Mr. Tibbles:

The Board received three objections from ASA regarding SWAPA's Notice of Intention to Adopt pilotage rates for 2017.

I have notified SWAPA and the members of the Board of your association's objections. Per AS 08.62.046(c), SWAPA has until December 28, 2016 to file a written response to ASA's objections. If it does, that would trigger the hearing process described in that statute. If it does not, the proposed rates would not take effect in 2017.

For your reference, I have enclosed a copy of AS 08.62.046.

Please let me know if you have any questions or need any additional information, and I will be happy to provide any answers I can. Please note: I cannot provide legal advice. I can be reached at (907) 465-1673, by email at charles.ward@alaska.gov or at the address above.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Ward".

Charles Ward
Marine Pilot Coordinator

Enclosures

CC: All members, Alaska Board of Marine Pilots
Sara Chambers, Division Operations Manager

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

December 19, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Mr. Ward:

On behalf of the Alaska Steamship Association, I request you withdraw the following objections ASA previously filed to the SWAPA Notices of Intention to Revise Pilotage Rates for 2017.

- 1) Cruise Ship Class Rate, dated December 1, 2016
- 2) Cook Inlet LNG Carriers, dated December 1, 2016
- 3) Non Standard Operations, dated December 1, 2016

Thank you for your attention to this request.

Sincerely,

A handwritten signature in cursive script that reads "Mike Tibbles".

Mike Tibbles
Executive Director

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Juneau

DEC 19 2016

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Objection to SEAPA filing



SouthEast Alaska Pilots' Association

1621 Tongass Avenue, Suite 300 • Ketchikan, Alaska 99901 • 907-225-9696 • fax 907-247-9696 • pilots@seapa.com

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Juneau

OCT 14 2016

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October 10, 2016

Ms. Sarah Chambers
Marine Pilot Coordinator
PO Box 110806
Juneau, AK 99811-0806

Re: Required publishing of rate changes for:
2017 Cruise Ship Rate
2017 Bulk Dry Cargo Vessels Rate
2017 Liquid Cargo Rate
2017 Rate for Vessels Not Covered by Other Rates

Per the requirements of AS.08.62.046, this letter serves as notice of the Southeast Alaska Pilots' Association intent to adopt Rates for Pilotage Services Southeast Alaska, Region One as required under Alaska Law, effective January 1, 2017.

Notification will be published as required in a newspaper of general circulation in the State. A hard copy of this rate is attached for your convenience.

Sincerely,

Captain Paul Merrill
President

OCT 14 2016

**RATES FOR PILOTAGE SERVICES
SOUTHEAST ALASKA, REGION ONE**

CBPL

A. These rates apply for the provision of pilotage services by the Southeast Alaska Pilots' Association unless other agreements have been made under AS 08.62.046(a). These rates take effect on January 1, 2017 and supersede all previously published rates. Rates are in U.S. dollars.

B. For all Cruise Ships:

1. Port charges (one way):

(a) Ketchikan	\$1,681.49
(b) Wrangell	\$1,681.49
(c) Petersburg	\$1,681.49
(d) Sitka	\$1,681.49
(e) Juneau	\$1,681.49
(f) Haines, Chilkoot	\$1,681.49
(g) Haines, Lutak	\$1,681.49
(h) Skagway	\$1,681.49
(i) Yakutat	\$1,681.49
(j) Unlisted Ports	\$1,681.49

2. Entry, transit and departure for each of the following areas constitutes a single event:

(a) Glacier Bay	\$3,862.03
(b) Tracy Arm	\$1,928.51
(c) Endicott Arm	\$1,928.51
(d) Misty Fjords	\$1,928.51
(e) Sergius and Whitestone Narrows, including transit through both locations on the same day in the same direction	\$1,188.70
(f) Wrangell Narrows	\$1,635.10
(g) Snow Passage	\$ 742.30
(h) Yakutat Bay	\$3,359.20

Additional transit charges based on the number of passengers shall be assessed at the millage rate of 12.65 mills times the actual number of passenger berths on board for sale times the number of miles transited in the inside waters of the Southeastern Alaska Region, excluding miles transited in the areas identified in B.2. (a)-(g) of this paragraph. The actual number of passenger berths on board for setting the charge may not be less than 294 and not more than 1861.

The charge for anchoring is one half the port charge. Anchoring or laying to for loading passengers or discharging passengers is considered as a regular port charge, and all charges may be assessed as if the vessel was moored.

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C. All vessels with a draft in excess of 32 feet shall be charged at the rate of \$33.90 per foot or portion of a foot. This charge shall be computed separately for each entry into or departure from a port area identified in B.1.

D. The charge based on tonnage and depth shall be calculated using a tonnage unit system at a rate of \$3.70 per unit for all units in excess of 163 units. The tonnage charge shall be computed separately for each entry into or departure from a port as identified in paragraph B.1., or an area identified in paragraph B.2. Tonnage units are calculated as follows:

$$\frac{\text{overall length} \times \text{extreme breadth} \times \text{depth}}{10,000}$$

For the purpose of determining a tonnage unit:

Overall length is the distance between the forward and after extremities of the vessel;

Extreme breadth is the maximum breadth to the outside of the shell plating of the vessel;

Depth is the vertical distance of amidships from the top of the keel plate to the uppermost continuous deck fore and aft and which extends to the sides of the vessel; the continuity of a deck shall not be considered to be affected by the existence of tonnage opening, engine space or a step in the deck; and all measurements shall be in feet and inches.

E. The charge for moving a vessel from dock to dock, dock to anchorage, anchorage to anchorage, or anchorage to dock shall be one-half the regular port charge (\$840.74).

F. The charge for docking and undocking a vessel in the absence of the use of the vessel's own propulsion system shall be one hundred fifty percent (150%) of the regular charge for that movement.

G. A pilot may charge for the actual cost of travel expenses, including airplane and ferry fares, ground transportation, telegrams, telephone calls, and other expenses pertaining to vessel's business, plus the per diem rate. The per diem rate shall be 60% to hotel, 40% to meals for the current year. In areas where the hotel portion of the per diem allowance does not reflect the total cost of available hotel accommodation, actual cost of hotel accommodation may be charged. If adequate meals and rooms are not furnished to the pilot when on the ship, an additional charge shall be assessed by the pilot in accordance with the distribution of per diem rate as described in this paragraph.

H. Additional charges shall be assessed for the services of a pilot as follows:

1. When a pilot is required to leave in advance to ensure meeting a vessel upon its arrival or departure, or the pilot is returning from a piloting assignment, that additional time shall be charged at a rate of \$147.95 per hour up to a maximum of \$1,479.46 per day for each day a pilot is in transit or on standby.

2. The charge for detention time on board ship shall be at the rate of \$147.95 per hour per pilot up to a maximum of \$1,479.46 per pilot per day; a pilot carried to sea shall be paid the

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same rate for each day the pilot is detained, plus the pilot may charge for first class return transportation and per diem.

3. The charge for trip cancellation is \$742.30, plus transportation and per diem charges according to paragraph G.

4. When an agent, owner, or master of a vessel does not correct an estimated time of arrival and notify the pilot within four hours of the last time of arrival given, compensation charges shall be \$147.95 per hour or \$887.68 per day may be charged until the actual arrival of the vessel at the pilot station.

5. When the sailing time of a vessel is set by an agent, owner, or master of a vessel, any delay over one hour from the set time shall be charged at the rate of \$147.95 per hour or portion of an hour and may not exceed \$887.68 per day.

6. When an agent, owner, or master of a vessel requests a pilot to stay on board a vessel on a continuous basis while the vessel is docked or anchored at a port or anchorage, the charge shall be \$147.95 per hour and may not exceed \$887.68 per day.

7. When a vessel chooses not to maintain its cruising capability for reasons determined by the vessel and not the pilot, and which are unrelated to the safety of the vessel or its passengers, and when the difference in transit time is greater than the predicted transit time had the vessel maintained its cruising capability, a charge of \$147.95 per hour, and each fraction of an hour, will be assessed for the resultant difference in time. The transit time will be calculated from last line to first line.

I. For purpose of these rates, travel, standby, and work days begin and end at midnight; each charge accruing at any point within a midnight to midnight time period may be assessed. All pilotage services are provided under AS 08.62.165.

NOTHING FOLLOWS

Published _____
Southeast Alaska Pilots' Association
1621 Tongass Avenue, Suite 300
Ketchikan, Alaska 99901
(907) 225-9697

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NOTICE OF INTENT TO ADOPT
RATES FOR PILOTAGE SERVICES
SOUTHEAST ALASKA REGION

These rates apply to all Bulk Dry Cargo vessels, requesting pilotage service from the Southeast Alaska Pilots Association (SEAPA), 1621 Tongass Ave, Suite 300, Ketchikan, Alaska 99901, unless other subsequent rates have been published under AS 08.62.046(a). These rates take effect January 1, 2017. Rates are in United States dollars.

A. For all Bulk Dry Cargo Vessels:

Movement	Rate	Number of Event Surcharges per Movement	
		Tonnage	Draft
Port Arrival	\$ 1,350.00	1	1
Port Departure	\$ 1,350.00	1	1
Shift *	\$ 675.00	2	-
Anchoring/Laying-to †	\$ 675.00	2	-
Waterway Area Transit ‡	\$ 1,311.00	2	2
Snow Passage Transit	\$ 577.00	2	2

* Includes anchoring, weighing anchor, mooring, unmooring, docking, undocking.

† Awaiting berth or weather when shift charges do not apply.

‡ Areas are: Wrangell Narrows, Sergius Narrows, Whitestone Narrows, Tlevak Narrows, Boca de Finas Channel, San Christoval Channel

B. Tonnage Surcharge: A surcharge as indicated above based on the vessel's overall length, extreme breadth, and depth, will be assessed at a rate of \$3.15 for each tonnage unit in excess of 150 units. Tonnage units are calculated as follows (measurements in feet and tenths of feet):

$$\frac{\text{overall length} \times \text{extreme breadth} \times \text{depth}}{10,000}$$

Overall length: The distance between the forward and after extremities of the vessel;

Extreme breadth: The maximum breadth to the outside of the shell plating of the vessel;

Depth: Measured from top of keel to upper most continuous deck fore and aft which extends to the sides of the vessel. The continuity of this deck shall not be considered to be affected by the existence of any tonnage opening, engine space, or a step in the deck.

C. Draft Surcharge: \$29.29 per foot and fraction of a foot for vessels with a draft in excess of 32 feet for every entry into and departure from ports and waterway areas as indicated above.

D. Second Pilot Charges: 50% of all port and area charges will be assessed when a second pilot is assigned in addition to detention charges as described in F. A second pilot will be assigned as required by 12 AAC 56.960 (c.)

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E. Dead Ship: 150% of the port/area charge per movement.

F. Hourly Charges: Charge is per hour and fraction of an hour.

	Hourly Rate Per Pilot	Maximum Chargeable Hours
Continuous Watch Hours in Excess of 8 Hours	\$ 116.00	-
Detention *	\$ 116.00	10 hrs/day
Sailing Delay over 1 Hour	\$ 116.00	7 hrs/day
Travel to/from vessel and Standby	\$ 116.00	9 hrs/day 10 hrs/day
Slow Steaming †	\$ 116.00	-
Pilot Carried Beyond the Southeast Region	\$ 174.00	-

* Detention at the master's/agent's request whether on watch, in transit, or on standby, including carrying pilot(s) beyond a pilot station between ports within the Southeast Region. Detention does not apply on routes between ports within the Southeast Region when transiting solely within pilotage waters. Calculation of on watch/in transit detention time is based on transit time between pilot stations.

† Slow steaming hours equal difference between actual transit time and anticipated transit time at posted sea speed.

G. Transportation and Per Diem Charges: Actual cost of travel to and from the vessel, plus per diem as allowed by the U.S. Internal Revenue Service for the current year, may be charged. If adequate meals and berthing are not furnished on board, per diem may be charged. The points of origin for travel are Ketchikan and Juneau.

H. Trip Cancellation: \$544.00 will be charged when a trip is cancelled less than 24 hours prior to the scheduled arrival/departure time, plus any pilot travel/standby charges incurred including any transportation and accommodation reservation cancellation fees.

I. For purpose of these rates, travel, standby, and work days begin and end at midnight; each charge accruing at any point within a midnight to midnight time period may be assessed. All pilotage services are provided under AS 08.62.165.

NOTHING FOLLOWS

Published October 11, 2017
Southeast Alaska Pilots Association
1621 Tongass Ave, Suite 300
Ketchikan, Alaska 99901

OCT 14 2016

NOTICE OF INTENT TO ADOPT
RATES FOR PILOTAGE SERVICES
SOUTHEAST ALASKA REGION

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These rates apply to all Liquid Cargo vessels, requesting pilotage service from the Southeast Alaska Pilots Association (SEAPA), 1621 Tongass Ave, Suite 300, Ketchikan, Alaska 99901, unless other subsequent rates have been published under AS 08.62.046(a). These rates take effect January 1, 2017. Rates are in United States dollars.

A. For all Liquid Cargo Vessels: The following port and waterway charges and surcharges apply to all liquid cargo vessels

Movement	Rate	Number of Event Surcharges per Movement			
		Tonnage	Draft	LOA	Training
Port Arrival	\$ 1,350.00	1	1	1	1
Port Departure	\$ 1,350.00	1	1	1	1
Shift *	\$ 675.00	2	-	2	1
Anchoring/Laying-to †	\$ 675.00	2	-	2	1
Waterway Area Transit ‡	\$ 1,311.00	2	2	2	1
Snow Passage Transit	\$ 577.00	2	2	2	1

* Includes all intra harbor movements.

† Awaiting berth or weather when shift charges do not apply.

‡ Areas are: Wrangell Narrows, Sergius Narrows, Whitestone Narrows, Tlevak Narrows, Boca de Finas Channel, San Christoval Channel

B. Tonnage Surcharge: A surcharge for each vessel movement will be assessed as indicated in Table A based on the vessel's gross tonnage (International Gross Tonnage where a certificate of IGT is required) at the rate of \$0.026 per ton.

C. Draft Surcharge: \$29.29 per foot and fraction of a foot for vessels with a draft in excess of 32 feet for every entry into and departure from ports and waterway areas as indicated in Table A.

D. Length Surcharge: A surcharge based on the vessel's length overall for each vessel movement will be assessed as indicated in Table A. The surcharge is a percentage of the total pilotage charges assessed in paragraphs A thru C.

Length Overall	Surcharge
Up to 650 feet	0 %
650 to 700 feet	20 %
701 to 800 feet	35 %
801 to 900 feet	50 %
Greater than 900 feet	65 %

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E. Training Surcharge: A surcharge for training will be assessed at the rate of \$150 per vessel movement as indicated in Table A.

F. Second Pilot Charges: 50% of all port and area charges will be assessed when a second pilot is assigned in addition to detention charges as described in H. A second pilot will be assigned as required by 12 AAC 56.960(c.)

G. Dead Ship: 150% of the port/area charge per movement.

H. Hourly Charges: Charge is per hour and fraction of an hour.

	Hourly Rate Per Pilot	Maximum Chargeable Hours
Continuous Watch Hours in Excess of 4 Hours (single pilot)	\$ 116.00	-
Detention *	\$ 116.00	10 hrs/day
Sailing Delay over 1 Hour	\$ 116.00	7 hrs/day
Travel to/from vessel and Standby	\$ 116.00	9 hrs/day 10 hrs/day
Slow Steaming †	\$ 116.00	-
Pilot Carried Beyond the Southeast Region	\$ 174.00	-

* Detention at the master's/agent's request whether on watch, in transit, or on standby, including carrying pilot(s) beyond a pilot station between ports within the Southeast Region. Detention does not apply on routes between ports within the Southeast Region when transiting solely within pilotage waters. Calculation of on watch/in transit detention time is based on transit time between pilot stations.

† Slow steaming hours equal difference between actual transit time and anticipated transit time.

I. Transportation and Per Diem Charges: Actual cost of travel to and from the vessel, plus per diem as allowed by the U.S. Internal Revenue Service for the current year, may be charged. If adequate meals and berthing are not furnished on board, per diem may be charged. The points of origin for travel are Ketchikan and Juneau.

J. Trip Cancellation: \$544.00 will be charged when a trip is cancelled less than 24 hours prior to the scheduled arrival/departure time, plus any pilot travel/standby charges incurred including any transportation and accommodation reservation cancellation fees.

K. For purpose of these rates, travel, standby, and work days begin and end at midnight; each charge accruing at any point within a midnight to midnight time period may be assessed. All pilotage services are provided under AS 08.62.165.

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Published October 11, 2017
Southeast Alaska Pilots Association
1621 Tongass Ave, Suite 300
Ketchikan, Alaska 99901

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RATES FOR PILOTAGE SERVICES
SOUTHEAST ALASKA, REGION ONE

A. Name and Mailing Address of Pilot Organization:

Southeast Alaska Pilots' Association (SEAPA)
1621 Tongass Avenue, Suite 300
Ketchikan, AK 99901

B. Effective Date of Rate schedule: January 1, 2017

C. Applicable area of Rate schedule: Region One, Southeast Alaska

D. Rates for SEAPA: Rates for pilotage service rendered to vessels engaged in operations not covered by other published Region One rates.

SEAPA will charge \$167.00 per hour for each pilot assigned to a vessel engaged in operations not specifically covered by other published Rates in Region One. A minimum charge of 4 hours shall apply for all assignments. Chargeable time will include bridge time, travel time, detention time and standby time based on the most efficient means of travel to and from the vessel. Air charter services may be used when scheduled air transportation is not available within 6 hours of the vessels request for pilotage services, or completion of pilotage services. SEAPA may change out pilots, for vessels requiring pilotage service in excess of 72 hours, including travel and standby time.

SEAPA will charge for travel expenses at actual cost. SEAPA will charge per diem as revised annually by the federal government for Region One. SEAPA will charge a vessel unwilling or unable to furnish separate sleeping and bathroom accommodations at the per diem hotel rate for each pilot onboard the vessel more than 15 hours. A pilot carried out of region by a vessel may charge for first class return transportation and all applicable per diem.

A vessel that is required to employ a pilot under Alaska law shall be charged for all transportation costs incurred by the pilot, for the minimum pilotage charge and all other charges that would have been incurred had the pilot reached the vessel and provided pilotage services, even if the marine pilot services had not been rendered. A vessel that fails to order a second pilot for pilotage services that exceed 8 hours of actual bridge time shall be charged for the second pilot's services even though the second pilot's services had not been rendered. A vessel that fails to cancel a request for a pilot within 24 hours of the time requested for the vessel movement shall be charged the minimum pilotage charge and all other charges that would have incurred had the pilot reached the vessel and provided pilotage services, even though the pilotage services had not been rendered.

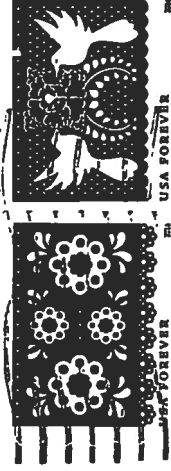
The vessel's captain, owner, or charterer shall accept service of process by SEAPA if the vessel operates in Region One.

NOTHING FOLLOWS

Published October 11, 2017
Southeast Alaska Pilots' Association
1621 Tongass Avenue, Suite 300
Ketchikan, Alaska 99901

2017 Rates for vessels Not Covered by Other Rates

Southeast Alaska Pilots' Association
1621 Tongass Avenue, Ste 300
Ketchikan, AK 99901

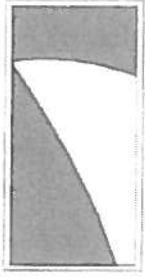


Ms. Sarah Chambers
Marine Pilot Coordinator
PO Box 116806
Juneau, AK 99811-0806

998110806 8903



ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

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December 8, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Subject: Objection to Southeast Alaska Pilots' Association rates for pilotage services not covered by other published region one rates.

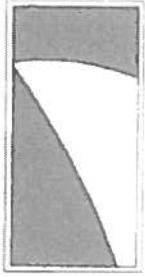
In accordance with AS 08.62.046, I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southeast Alaska Pilots' Association October 2016 rate filing for vessels not covered by other published region one rates. ASA membership is comprised of vessel owners, operators, and agents.

The rate published is considerably higher than CPI. We believe this level of increase is not reasonable as we are unaware of any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services. A published rate cannot be considered reasonable or be approved, without consideration of these and other factors listed in AS 08.62.046.

Sincerely,

Mike Tibbles
Executive Director

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

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December 8, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Subject: Objection to Southeast Alaska Pilots' Association rates for pilotage services for cruise ships.

In accordance with AS 08.62.046, I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southeast Alaska Pilots' Association October 2016 rate filing for cruise ships. ASA membership is comprised of vessel owners, operators, and agents.

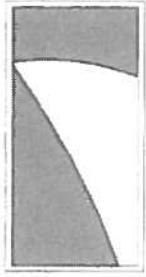
The rate published is considerably higher than CPI. Certain surcharges such as the tonnage and depth surcharge are as high as 4.5% more than rates charged in 2016. This alone is an unreasonable increase. Changes within the industry are resulting in much higher pilotage costs than what can be observed by the rate posting itself. Larger and larger cruise ships have entered the market, replacing smaller vessels. Given the complicated multitude of surcharges, pilot invoices are currently averaging over \$50,000 a voyage, with many nearing the \$60,000 a voyage mark. Next year, it is anticipated there will be 488 voyages from the larger cruises ships in Southeast Alaska.

Although costs have increased substantially, we are not aware of any new licensing or training requirements for larger vessels or any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services. A published rate cannot be considered reasonable or be approved, without consideration of these and other factors listed in AS 08.62.046.

Sincerely,

Mike Tibbles
Executive Director

ALASKA



STEAMSHIP
ASSOCIATION

217 Second St
Suite 202
Juneau, AK 99801

Phone: (907) 586-3747
Cell: (907) 242-3704

December 8, 2016

Charles Ward
Marine Pilot Coordinator
Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

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DEC 08 2016
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Subject: Objection to Southeast Alaska Pilots' Association rates for pilotage services for liquid cargo.

In accordance with AS 08.62.046, I am submitting an objection on behalf of the Alaska Steamship Association (ASA) to the Southeast Alaska Pilots' Association October 2016 rate filing for liquid cargo. ASA membership is comprised of vessel owners, operators, and agents.

ASA believes the level of increase in the published rate is not reasonable. Our conclusion is based on the factors used to determine a reasonable rate as listed in AS 08.62.046(c).

The new liquid cargo rate, while similar to the existing dry cargo rate, includes several changes which substantially increase pilotage costs. The new tonnage surcharge calculation would result in tonnage surcharge increases of nearly 60%. SEAPA is also proposing a new length surcharge which imposes up to 65% additional costs on the total pilot charge for each event as well as a new training surcharge. One proposed Southeast liquid cargo project indicates that, "a plan has been put into effect to provide the infrastructure necessary to accommodate vessels up to VLCC size". Using a sample vessel applied to a simple in and out itinerary, the new tonnage surcharge would be 164% higher than dry cargo rates. A sample invoice of a VLCC size vessel operating a simple itinerary could jump from \$12,000 calculated under the existing dry cargo rates to \$40,000. This would represent an increase of 227%.

This potential increase is not reasonable. It is important to note that our calculations are based on hypothetical itineraries and invoices and that there are currently no liquid cargo carriers and therefore, no pilotage service covered by this rate. Without current customers, SEAPA is unable to demonstrate any changes in the actual time aboard a vessel, time engaged in preparing to provide pilotage services, seasonal and weather conditions, or other expenses incurred in providing pilotage services to liquid cargo carriers. A published rate cannot be considered reasonable or be approved, without consideration of these and other factors listed in AS 08.62.046.

Sincerely,

Mike Tibbles
Executive Director



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
Juneau, AK 99811-0806
Main: 907.465.2548
Fax: 907.465.2974

December 9, 2016

Via Certified and First-Class Mail and Email

Capt. Paul Merrill
President, Southeast Alaska Pilots Association
1621 Tongass Ave.
Suite 300
Ketchikan, AK 99901
Email: pilots@seapa.com

Re: Objections to SEAPA's Notice of Intention to Adopt 2017 Rates

Dear Capt. Merrill:

The Alaska Steamship Association has filed objections to SEAPA's Notice of Intention to Adopt Rates for 2017. Copies of those objections are enclosed with this letter.

The Board received the objections on December 8, 2016, and these objections appear to be timely filed in accordance with AS 08.62.046(c). In accordance with that statute, SEAPA has until **December 28, 2016** to submit a written response and evidence its proposed rates are reasonable.

If SEAPA does not file such a written response, the proposed rates will not take effect. If SEAPA does file such a written response in a timely manner, the Board will hold a hearing on the matter.

For your reference, I have enclosed a copy of AS 08.62.046.

I am happy to answer any questions or provide any additional information I can. However, please note I cannot provide legal advice. I can be reached at (907) 465-1673, by email at charles.ward@alaska.gov or at the address above.

Sincerely,

A handwritten signature in black ink, appearing to read "CW", written over the word "Charles".

Charles Ward
Marine Pilot Coordinator

Enclosures

CC: All members, Alaska Board of Marine Pilots
Sara Chambers, Division Operations Manager



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

*Department of Commerce, Community,
and Economic Development*

BOARD OF MARINE PILOTS

P.O. Box 110806
Juneau, AK 99811-0806
Main: 907.465.2548
Fax: 907.465.2974

December 9, 2016

Via Certified and First-Class Mail and Email

Mike Tibbles
Executive Director, Alaska Steamship Association
217 Second St.
Suite 202
Juneau, AK 99801
Email: tibbles@alaska.net

Re: Receipt of objections to SEAPA's Notice of Intention to Adopt 2017 rates

Dear Mr. Tibbles:

The Board received three objections from ASA regarding SEAPA's Notice of Intention to Adopt pilotage rates for 2017.

I have notified SEAPA and the members of the Board of your association's objections. Per AS 08.62.046(c), SEAPA has until **December 28, 2016** to file a written response to ASA's objections. If it does, that would trigger the hearing process described in that statute. If it does not, the proposed rates would not take effect in 2017.

For your reference, I have enclosed a copy of AS 08.62.046.

Please let me know if you have any questions or need any additional information, and I will be happy to provide any answers I can. Please note: I cannot provide legal advice. I can be reached at (907) 465-1673, by email at charles.ward@alaska.gov or at the address above.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Ward".

Charles Ward
Marine Pilot Coordinator

Enclosures

CC: All members, Alaska Board of Marine Pilots
Sara Chambers, Division Operations Manager



Capt. Paul Merrill, President

SouthEast Alaska Pilots' Association

1621 Tongass Avenue, Suite 300 • Ketchikan, Alaska 99901 • 907-225-9696 • fax 907-247-9696 • pilots@seapa.com

December 16, 2016

Mr. Charles Ward via email (charles.ward@alaska.gov)
Marine Pilot Coordinator
Alaska Board of Marine Pilots
Post Office Box 110806
Juneau, Alaska 99811-0806

Dear Mr. Ward:

The Southeast Alaska Pilots' Association published three separate rates for pilotage services. The Alaska Steamship Association objected to each of the rates. SEAPA responds to the objections.

1. Cruise Ship Rates.

ASA claims that increasingly larger cruise ships are entering the Alaska cruise ship market. SEAPA agrees, but that is a business decision outside SEAPA's control and irrelevant. ASA claims SEAPA's cruise ship rate is unreasonable because it is considerably higher than the Consumer Price Index, and that the tonnage and depth surcharges are 4.5% more than the SEAPA's 2016 rates. That is incorrect. The Anchorage CPI is an increasingly irrelevant reflection of the economic conditions in Region One. The 2.3% figure used in the rate (not 4.5%), is an average of the CPI increases between 1989 and 2016; the percentage increase protects both SEAPA and vessels from large variables and ill-timed swings in costs and revenues.

2. Liquid Cargo Rates.

ASA objects to SEAPA's liquid cargo rate because it increases tonnage surcharges by 60% and adds increases length and training surcharges. The size of ships proposed for the Bulk Liquid Cargo Rate presents an increased risk of piloting them, and requires an increased level of skill and preparation than dry cargo vessels that commonly transit Region One. No liquid cargo ships have ever transited Southeast Alaska and none have required marine pilotage, but still ASA objects on the basis that SEAPA cannot demonstrate charges in length, actual time aboard the non-existent vessel, time engaged

in preparing to provide the pilotage services, seasonal and weather conditions, and the reasonable expenses incurred in providing pilotage services to liquid bulk vessels that do not exist. Without a specific liquid cargo rate, SEAPA can only charge a VLCC-sized vessel the same rate charged a 100-foot yacht.

3. Rates for Vessels Not Covered by Other Rates.

ASA's objection to this rate, which is most commonly applied to yachts, is because it is higher than CPI. SEAPA incorporates by reference its response to ASA's objection to cruise ship rates related to CPI.

Each of the following apply to ASA's objections.

1. No one may act as a vessel's agent unless the person's name appears on the register of agents kept by the Board under AS 08.62.040(a)(3). Only the master, owner, operator, or agent of the master, owner, or operator of a vessel required to employ a marine pilot may object to SEAPA's rates. AS 08.62.046(c). ASA has members that it claims are vessel owners, operators and agents, but ASA is not on the Board's list of agents, and ASA is not an agent as defined by the Act. ASA is not a proper entity to file objections under AS 08.62.046(c).
2. ASA does not represent any vessels that object to SEAPA's 2014 Bulk Liquid Cargo Rate. The Board cannot consider ASA's objection. The Act defines who may object, and that definition does not include ASA. ASA does not have the legal authority to file its objections.
3. ASA does not support its objections with any relevant evidence demonstrating that SEAPA's published rates are not reasonable as required under AS 08.62.046(c). ASA has not demonstrated any of SEAPA's rates are unreasonable as required by AS 08.62.046(c). SEAPA cannot respond with evidence to ASA's lack of evidence.

Sincerely,

/s/ Paul Merrill

Captain Paul Merrill, President

C: Mike Tibbles via email (tibbles@alaska.net)

Item 13. Pilot Organization Reports

Proposed SEAPA Bylaws Change

SOUTHEAST ALASKA PILOTS' ASSOCIATION BYLAWS

ARTICLE I. IDENTIFICATION

Section 1. Name.

The name of the Association is SOUTHEAST ALASKA PILOTS' ASSOCIATION, (hereafter "Association").

Section 2. Office.

The principal office of the Association is in Ketchikan, Alaska, with a mailing address as follows:

1621 Tongass Avenue, Suite 300 Ketchikan, Alaska 99901

The Association may have such other offices as from time to time are designated by its members or its Board of Directors.

Section 3. Agent for Process.

The agent for service of process upon the Association shall be as follows:

Southeast Alaska Pilots' Association
1621 Tongass Avenue, Suite 300
Ketchikan, Alaska 99901

Section 4. Purpose.

The purpose of this Association shall be to consider and deal by all lawful means with common problems involved in promoting and advancing the profession of pilotage; to advance the cause of safety and general welfare of professional pilots within Southeast Alaska; and to secure cooperative action in advancing common purposes of the members of the Association.

Section 5. Area of Operations.

The Southeast Alaska Marine Pilotage Region, Region One, extends from Dixon Entrance to Cape Spencer including Yakutat as established by the Alaska Board of Marine Pilots (hereafter "BMP").

Section 6. Operating Schedule.

The Association will provide year round 24 hour per day dispatch of pilots within Pilotage Region One to the extent reasonably possible given the size of the Association's membership and its agreements with masters, owners, operators, or agents of masters, owners or operators of a vessel as authorized by the Alaska Marine Pilotage Act AS 08.62 (hereafter "Act").

Section 7. Fiscal Year.

The fiscal year of the Association shall begin on the 1st day of January of each year, and end on the 31st day of December in the same year.

Section 8. Recognition of State Law.

The Association agrees to fully comply with all the standards for recognition established by law without waiving any legal challenges to those provisions or any other terms of the Act or regulations adopted under the Act.

Section 9. Powers.

In furtherance of the objects described above, but not in limitation thereof, the Association shall have the power to collect and disseminate statistics and other information, to conduct investigations; to engage in various funding and fund raising activities; to conduct promotion activities, including advertising and publicity, in or by any suitable manner or media; to hold such property as is necessary to effect its purposes; to provide for the pooling of income and expenses of its members; and to provide for a rotation and dispatching system of assignments for pilotage services performed by each individual member as an independent contractor.

ARTICLE II. MEMBERSHIP

Section 1. Purpose.

Membership in the Association is designed to provide for 1) the dispatch and training of pilots, 2) management of the Association affairs, 3) compliance with all applicable federal, state, and local laws, 4) the collection and distribution of funds earned through piloting services, 5) Pilots to associate together as independent contractors for the common purpose of having a pilot dispatch service.

Section 2. Service.

The Association promotes the highest quality marine pilotage service in Region One. It is the policy of the Association that each pilot, acting as an independent contractor, shall maintain a commitment to excellence in the pilotage profession and through this commitment shall prevent the loss of lives and property, and protect the marine environment.

Section 3. Non-Discrimination.

The Association is open to membership by all persons licensed by the State of Alaska to pilot vessels in the Southeast Alaska Pilotage Region, except such persons may not be a member of, or dispatched by, another pilot organization in the state.

Section 4. Membership.

Membership in the Association is comprised of two (2) categories.

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(a) Pilot Member (PM).

The Pilot Member category is open to members of the Association that hold a current unrestricted Marine Pilot license issued by the State of Alaska under the Act for Region One. Pilot Members who subsequently do not meet the requirements specified in this paragraph are automatically reverted to a membership status appropriate with their state and/or federal license. All PMs must meet all the Association's and State's training requirements before becoming eligible for dispatch. PMs must commit to being dispatched for ninety (90) days between May 16 and September 15 and must meet license requirements for dispatch in PM category, and may be dispatched in excess of ninety (90) days each year that they are Pilot Members. A PM shall not be excluded from membership due to illness or injury. PMs may be dispatched between September 16 and May 15, and shall have priority to dispatch between May 1-15 and September 16-30, additional dispatch shall be rotated equitably. Written solicitation of member's availability, non-availability or additional dispatch shall be made by August 01 each year. PMs may become General Pilot Members at any time without Board approval upon 30 days written notice to the Association. Pilot Members have ONE (1) FULL VOTE on Association business.

(b) General Pilot Member (GPM).

The General Pilot Member category of membership consists of pilots who hold a Marine or Deputy Marine License issued the State under the Act for Region One. This membership category is for licensed individuals that have chosen not to become PMs of the Association and previous PMs who choose to work for shorter periods. GPMs may apply for other membership categories provided the candidate holds a current State unrestricted Marine Pilot license and the candidate meets the State's and Association's training requirements before application is made. The Board of Directors will select the GPM applicant(s) for dispatch who best meets the Association's dispatch requirements. GPMs will be dispatched as fairly and equitably as their license, availability, and the Association's dispatch requirements allow. GPMs have NO VOTE in Association business.

Section 5. Training and Continuing Education.

In order to maintain the highest quality of pilotage services, all pilots dispatched by the Association are required to satisfy the Association's and the State's training requirements before becoming eligible for dispatch. Training requirements are established in the Association Training Program. It is the pilot's responsibility to provide documentation to satisfy training and continuing education requirements.

Section 6. Availability for Dispatch.

The Association will dispatch all licensed pilot members from a list of names maintained on a dispatch roster, in accordance with the commitments made by the pilot to the

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Association. To be on the dispatch roster, a pilot must abide by the Operating Rules of the Association, cannot have consumed alcohol or a controlled substance any time between twelve (12) hours before going on duty and the conclusion of duty, and meet all other requirements under the Act and Federal regulations pertaining to pilotage in Region One.

Section 7. Assent to Bylaws and Operating Rules.

All Pilot Members, General Pilot Members, Pilot Trainees, and Apprentice Pilots agree to adhere to and be bound by the Association's Bylaws and Operating Rules as they may be amended prior to being dispatched by the Association.

Section 8. Temporary Absence from Duty.

The Association's President may approve the temporary absence from duty of a pilot in accordance with the Association's Operating Rules.

Section 9. Independent Contractors.

All pilots dispatched by the Association are independent contractors, and must obtain a business license from the State of Alaska to be eligible for dispatch by the Association.

Section 10. Drug and Alcohol Testing.

All pilots dispatched by the Association shall be required to participate in a random drug and alcohol testing program. All applicants for membership will provide a "pre-dispatch" drug test conducted within 60 days of application at the time they first make application for membership status.

Section 11. License Insurance.

All pilots dispatched by the Association must obtain license insurance. Proof of Insurance shall be provided to the Association.

Section 12. Suspension and Termination of Membership.

A suspended member cannot vote, participate in Association business, be dispatched or share in the expenses or revenue or other benefits of the Association. A member who becomes ineligible for membership is suspended on the date that the member becomes ineligible. If the member becomes eligible within twelve (12) months and a day, that member shall return to the member's previous membership status without regard to the number of members set by the membership. If the member cannot cure the member's ineligibility for membership within twelve (12) months and a day and thereby become fully eligible for membership, that membership will be automatically terminated and all rights to the benefits of membership are terminated on the 366th day after entering into suspension. A pilot may make application for membership once the pilot again becomes fully qualified to do so.

Section 13. Resignation or Retirement of Members.

Any member of the Association who desires to resign or retire shall give, in writing, thirty (30) days notice to the Board of Directors before the resignation or retirement becomes effective. A member who has resigned or retires may apply for membership once the member again becomes fully qualified to do so.

Section 14: Association Management.

In order to provide for the management of the Association's affairs, the Association may contract with a management corporation. The Association's management corporation is Sea Pilots, Inc. Any pilot dispatched by the Association is required to be a Director of Sea Pilots, Inc.

ARTICLE III. MEETINGS OF THE MEMBERSHIP

Section 1. Semi-Annual Meetings, Attendance, and Location.

A semi-annual meeting of the Association shall be held at a time, date, and place designated by the President in May of each year, and a meeting at a time, date, and place designated by the President in September of each year. Written notification of membership meetings must be provided to members at least fourteen days prior to the meeting. The tentative agenda for purposes of establishing proxy voting rights at the semi-annual membership meetings shall be noticed to the membership not less than 72 hours prior to the published meeting date and time. Failure to hold the semi-annual meetings at the designated time shall not work a forfeiture or dissolution of the Association. All membership categories may attend these meetings.

Section 2. Special Meetings.

Special meetings of the Association may be called by the President, the Board of Directors, or by any five (5) members requesting a special meeting in writing. Special meetings may be held without advance notice provided a quorum is met. Nonvoting members may attend these meetings.

Section 3. Voting at Meetings.

(a) Voting Rights. At membership meetings, Pilot Members shall have one full vote.

(b) Quorum. A majority of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the membership. Members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

(c) Proxies. A voting member may vote either in person or by proxy. Proxies may only be given to a voting member. Any one (01) member present at each meeting may hold no more than two (02) proxies. The President shall not hold any proxies. Proxies may be authorized on the SEAPA proxy form only. Proxy voting shall be limited to the

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authorization identified on the SEAPA proxy form. A proxy shall be valid for one (1) meeting only, and the power to vote a proxy may be revoked by the person giving the proxy at any time prior to actual voting. The proxy must be received by the President or the person presiding at the meeting at or before the time of convening the meeting; however, a member present at a meeting who was called out by assignment or by other business prior to a vote shall be entitled to leave a proxy with another member.

(d) Voting Procedure. Voting procedure shall conform to Roberts Rules of Order as revised, provided they are not inconsistent with the Bylaws of this Association. Proposed Bylaw changes, Operating Rule changes, recommended changes to State Marine Pilot Regulations and major decisions affecting the welfare and business of the Association must be noticed on the tentative agenda to be voted on at a meeting or voted via postal ballot.

Section 4. Ballots.

Ballots, where required under the Bylaws, shall be conducted as follows:

(a) The ballot for Members of the Board of Directors and for Officers shall be secret. Ballots for issues shall be signed by members.

(b) The ballot shall, at the option of the member, be either hand delivered, electronically transmitted by email or fax, or mailed by first class mail to each member of the Association entitled to vote. The ballot will be sent to the member's postal or electronic address as it appears in the membership books of the Association;

(c) The ballot must be received at the principal office of the Association not more than twenty (20) days following the date of its notice of availability. All ballots, postal or otherwise, will be noticed electronically on the day of availability. Ballots returned after this period of time will not be considered.

(d) The ballot shall be counted by at least three Pilot Members to validate the result. The validation of the count shall be retained in the Association's file for 90 days. If the result of the ballot is challenged by a member, entitled to vote, the Board of Directors shall decide to either disapprove the challenge, postpone the decision that was the subject of the ballot until the next membership meeting, or reissue the ballot. A ballot required to be signed, that is received unsigned, will not be considered.

ARTICLE IV. BOARD OF DIRECTORS

Section 1. Number and Qualification.

The Board of Directors will consist of seven (7) members each of whom must be a Pilot Member of the Association.

Section 2. Election.

An annual membership referendum of voting members shall be conducted by ballot

between the 15th day of July and the 15th day of August each year.

Section 3. Nominating and Balloting.

There shall be no nominations for elections to the Board of Directors. Each member entitled to vote shall be entitled to vote for seven (7) members, and the seven (7) members receiving the highest number of votes in said election shall be elected to the Board of Directors. In case of a tie vote for the unfilled position(s), another ballot, limited to the members tied in the previous ballot, shall be immediately submitted to the membership for another vote to be counted within 10 days.

Section 4. Term of Office.

The terms of office of the members of the Board of Directors shall be one (1) year and shall commence immediately after the September membership meeting.

Section 5. Vacancies.

Any vacancy occurring on the Board of Directors shall be filled by the affirmative vote of the entire membership entitled to vote on a ballot listing all eligible members for the vacancy. The member receiving the highest number of votes shall be elected to complete the remaining term of the member's predecessor in office.

Section 6. Place of Meetings.

All meetings of the Board of Directors shall be held at the principal office of the Association, or other such place as may be designated by a majority of the Board of Directors. The Directors shall be entitled to convene and carry on any Board of Directors' meeting by means of a long distance telephone conference.

Section 7. Semi-annual Meetings.

The Board of Directors shall meet immediately after the semi-annual meeting of the membership, at the place where such meeting of the membership was held, for the purpose of organization and consideration of any other business that may properly be brought before the Association or the Board of Directors.

Section 8. Special Meetings.

Special meetings of the Board of Directors may be called by the President or by any four (4) Board Members. Special meetings may be held without advance notice, provided a quorum is present.

Section 9. Quorum.

At all meetings of the Board of Directors, a total majority of four directors shall constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting in which a quorum is present shall be the act of the Board of Directors. Proxy voting is not permitted.

Section 10. Removal.

The entire Board of Directors, or any individual Directors, may be removed from office without assigning any cause, by a two-thirds (2/3) affirmative vote of the membership entitled to vote at any regular or special meeting of the membership. Such removal of one (1) or more of the Directors shall be deemed to create a vacancy or vacancies in the Board of Directors.

Section 11. Compensation.

Members of the Board of Directors shall serve without compensation.

Section 12. Limitation on Authority.

Authority to make major decisions affecting the welfare and business of the Association is reserved by the membership entitled to vote. A majority of the entire membership entitled to vote may annul, amend, or supersede any action of the Board of Directors. The Board of Directors shall submit to the membership, by ballot, any issue of major importance, policy, or expenditure in excess of \$7,500, or that in the exercise of good judgment may be considered a major policy decision affecting the welfare or business of the Association. A majority of the entire membership entitled to vote shall decide the issue.

Section 13. Duties.

It shall be the duty of the Board of Directors to:

- (a) Call special membership meetings pursuant to Article III, Section 2 of these Bylaws,
- (b) Decide whether to retain a certified public accountant to audit the books and accounts
- (c) Obtain legal counsel for advice;
- (d) Develop an annual budget for the Association for approval by the Membership at the Annual Spring Membership Meeting;
- (e) Make adjustments to the annual budget as necessary to sustain the Association's business between the semi-annual meeting dates.
- (f) Monitor the Association's business and affairs to ensure they are being carried out within the Bylaws and the Operating Rules;
- (g) Address controversies arising under the Operating Rules or Bylaws and follow the procedures for due process outlined in Article II, Sections 13 and 14, and Article X;
- (h) Annually determine the work available for general pilots, based on recommendations from the President.
- (i) Provide clear guidance and direction to the President on the policies concerning the welfare of the Association.

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(j) Decide whether to contract with a management corporation for the purpose of maintaining an office, employees and providing other business services as directed by the Board or to enter an agreement with such management corporation. The decision to enter into a contract with a management corporation must be approved by a two-thirds (2/3) affirmative vote of the membership. All administrative employees of the management corporation must be bonded.

(k) Establish and amend Operating Rules for the Association and submit all amendments to the Operating Rules to the membership for review and approval by a majority of the members entitled to vote.

Section 14. Conflict of Interest.

A member of the Board of Directors who has a material financial interest in any entity or who serves on the board of directors of an entity that enters into a contract or other transaction with the Association must disclose the material facts as to the transaction and the director's interest in the entity before voting on the contract or other transaction. Unless a majority of the Board of Directors objects, the member of the Board of Directors making the disclosure does not have to refrain from voting on the contract or other transaction.

ARTICLE V: OFFICERS

Section 1. Officers.

The officers of the Association shall consist of a President, Vice President, and Secretary. No person may hold more than one officer position.

Section 2. Election.

Officers shall be elected by the members of the Association entitled to vote from among the Board of Directors, by membership referendum conducted by ballot to be held between the 15th day of August and the 15th day of September of each year. The president shall cause a ballot to be distributed to the entire membership entitled to vote listing the names of the seven (7) directors of the Association eligible for office with instructions to vote for one (1) of such members for President, one (1) of such members for Vice President, and one (1) of such members for Secretary. In case of a tie vote for any position, another ballot confined to the members tied in the previous ballot shall be immediately submitted to the membership for another vote to be counted within 10 days.

Section 3. Term of Office.

The term of office of an officer shall be one (1) year, and shall commence as soon after the September membership meeting as they are elected and qualified and continues until their successor is elected and qualified. The President is limited to serving no more

than two (2) consecutive terms within any six (6) year period.

Section 4. Removal.

Any officer may be removed from office by a two-thirds (2/3) vote of all members entitled to vote at any regular or special meeting.

Section 5. Vacancies.

Whenever any vacancies shall occur in any office by death, resignation, or otherwise, the vacancy shall be filled by affirmative vote of the membership entitled to vote, and the officer so elected shall hold office until a successor is chosen and qualified.

Section 6. Compensation.

Officers of the Association shall serve without compensation.

Section 7. Duties of the President.

The President shall preside at all meetings of the Association and of the Board of Directors, discharge all the duties of a presiding officer, and perform such other duties as prescribed by the Board of Directors or these Bylaws. The President shall sign all notes, contracts, or other legal documents as may be necessary to conduct the Association's business. The President shall work with the Board of Directors in formulating major policy changes that will require a vote of the membership. The President shall be responsible for all Association pilot matters including the dispatch of pilots. The President may delegate duties to another member of the board of directors. The President may represent the Association as its spokesman with the BMP, ship owners, State and Federal government officials, or other persons regarding marine, navigational, and pilot matters. The President may attend, as an official delegate of the Association, the conventions or meetings of the American Pilots Association, or designate an alternate. The President shall, from time to time, set the time for all regular or special meetings of the Association's membership and the Board of Directors. The President shall keep the Board of Directors appropriately informed of matters of significance affecting the Association,

Section 8. Duties of the Vice President.

The Vice President shall attend all meetings of the membership and the Board of Directors, and shall be responsible for keeping, in a book provided for that purpose, an accurate record of the proceedings of such meetings, and shall perform a like duty for all standing committees appointed by the Board of Directors, when required. The Vice President shall distribute all notices of the Association, and perform such other duties as the Bylaws may require or the Board of Directors may prescribe. The Vice President shall monitor all accounting procedures used by the Association, and call any discrepancies to the attention of the Board of Directors and make such

recommendations as he deems desirable. The Vice President shall assist in the preparation of Association correspondence for the President's signature or sign correspondence when authorized by the President. The Vice President shall carry out the duties of the President in the absence of the President.

Section 9. Duties of the Secretary.

The Secretary shall assist the Vice President in the performance of the Vice President's duties. The Secretary shall carry out the duties of Vice President in the absence of the Vice President when the Vice President is serving as President in the absence of the President.

ARTICLE VI. TRAINING AND CONTINUING EDUCATION

Section 1. Training Program.

The Association will establish and create a Training Program and submit it to the BMP for approval subject to the limitations in this Article.

Section 2. Training Committee.

- a. The President shall appoint Pilot Members to the Training Committee.
- b. The President shall appoint a Training Committee Chair from among the Training Committee's members.
- c. The Training Committee Chair shall be responsible for the administration of the Association's Training Program.
- d. The Training Committee Chair may delegate duties and tasks that are the responsibility of the Chair of the Training Committee to members of the Training Committee.
- e. The Training Committee shall meet periodically to review and monitor the progress of all trainees and provide oversight and direction to the Training Committee Chair.
- f. The Training Committee shall prepare and submit all reports, notifications, and evaluations required of the Association by the BMP.
- g. Amendments to the Training Program shall be submitted to the membership for review and approval by a majority of the Association's members entitled to vote. The Training Committee may make minor and/or clarifying amendments to the Training Program as provided in Volume II of the Training Program. Any amendments must pass by a two-thirds majority vote of the Training Committee and shall take effect upon posting notice of the amendments in the Association's office. The Training Chair shall submit all amendments to the membership for review and approval at the next meeting of the membership. The Association will then submit the amended Training Program to the BMP for final approval.

Comment [JH1]: This was a circular reference.

Section 3. **Categories.**

The Association has three (03) categories of pilot Trainees: Marine Pilot Trainee, Deputy Marine Pilot Trainee and Apprentice Deputy Marine Pilot Trainee. The total number of **trainee** positions in the Pilot Trainee (PT) category will be set by the voting members of the Association and must pass with a two-thirds (2/3) affirmative majority. The Training Positions opened by the Association will be **designated as either deputy/apprentice deputy trainee, or marine pilot trainee. In opening training positions, no distinction will be made between deputy marine pilot and apprentice deputy marine pilot trainees; the spots will be available to the most qualified candidates as determined by the open and fair selection process detailed in Volume I of the training program. The selection process for marine pilot trainees, also spelled out in Volume I, is separate.** ~~and will not stipulate the category of Trainee, it is the Association's policy to follow a uniform, fair, open and nondiscriminatory process of selecting new Trainees. Determination of Association Training Positions, and subsequent Trainee application, evaluation and selection shall be in accordance with the applicable requirements of the membership approved Association Training Program.~~ The Trainee categories and minimum qualifications are described below:

(1) Marine Pilot Trainee (MT).

The MT category consists of those individuals who hold a current State of Alaska marine pilot license issued in accordance with AS 08.62.100 in a pilotage region of Alaska, other than Region One; ~~who have successfully completed the requirements of Volume I of the Association's Training Program;~~ and have been offered and accepted a Training Position. After a MT has completed the State's requirements and the requirements of Volume II of the Association's Training Program and received an unrestricted Marine Pilot License issued by the State under the Act for Region One, the MT will automatically become a PM of the Association. MTs have NO VOTE on Association business,

(2) Deputy Marine Pilot Trainee (DT).

The DT category consists of those individuals who hold a current USCG License and meet the experience requirements which qualifies for issuance of a State license under AS 08.62.093 (a) and (b)(1)(5), but who may not have the required First Class Pilotage Endorsements for State licensure in Region One, who have successfully completed the requirements of Volume I of the Association's Training Program; and have been offered and accepted a Training Position. After a DT has completed the State's requirements and the requirements of Volume II of the Association's Training Program and received a Deputy Marine Pilot License issued by the State under the Act for Region One, the DT will automatically become a GPM in the Association. After a DT has received an unrestricted Marine Pilot license issued by the State of Alaska under the Act for Region One, the DT will automatically become a PM of the Association. DTs have NOVOTE on

Comment [JH2]: New text in blue. Clarifying that we make no distinction between deputy and deputy apprentice applicants/trainees in selection.

Comment [JH3]: Edited to reflect that fact that Marine Pilot trainees are not selected in an "open" process.

Comment [JH4]: There are no requirements in Vol I to be completed by a marine pilot transferee.

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Association business.

(3) Deputy Marine Pilot Apprentice Trainee (AT).

The Association has established a Deputy Marine Pilot Apprenticeship Program (hereafter "Apprentice Program"). The AT category consists of those individuals who hold a minimum of at least a current USCG License of Master Not Greater Than 1600 Gross Tons; are High School graduates; meet the requirements of AS 08.62.093(a); do not have the license and experience required under AS 08.62.093 (b)(1)–(5) to meet State licensure requirements as a Deputy Marine Pilot, who may not have the required First Class Pilotage Endorsements for State licensure in Region One, who have successfully completed the requirements of Volume I of the Association's Training Program; and have been offered and accepted a Training Position. ATs will automatically become DTs if they achieve the necessary requirements under AS 08.62.093(b)(1)–(5) to enter the DT category. AT's must also advise the Association how the AT will complete four (04) years of training as an AT, including required in-region training requirements without pay. After an AT has completed the State's requirements and the requirements of Volume II of the Association's Training Program and received a Deputy Marine Pilot License issued by the State under the Act for Region One, the AT will automatically become a GPM in the Association. After an AT has received an unrestricted Marine Pilot license issued by the State of Alaska under the Act for Region One, the AT will automatically become a PM of the Association. ATs have NO VOTE on Association business,

Section 4. Trainee Due Process.

All due process, grievance, misconduct, discipline, violation, sanction, and dismissal procedures ("Due Process Procedures") related to Trainees are contained in the Association's Training Program and delegated to, and developed by, the Training Committee. Decisions by the Training Committee to dismiss a Trainee shall be ratified by a majority vote of the PM Membership based upon a recommendation of dismissal by the Training Committee and SEAPA's Board of Directors before a Trainee is dismissed by the Training Committee. ~~After a vote by the Membership ratifying dismissal of a Trainee, any due process or dismissal procedures shall be implemented and adopted by the Training Committee in the Training Program.~~ Any provision of these Bylaws referring or related to dismissal, grievances, arbitration, or due process, and specifically Article X of these Bylaws, shall not apply to Trainees in the Training Program.

Comment [JH5]: The "due process" comes before the ratification vote. This wouldn't be put to a vote before membership if there hadn't already been fact-finding and a hearing.

ARTICLE VII. INCOME AND EXPENSE POOLING AND DISTRIBUTION

Section 1. Purpose.

The purpose of this Article is to provide for the equitable pooling of income and

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expenses of the membership and the equitable distribution of the net income to the individual members.

Section 2. Compensation.

Pilots dispatched by the Association will share earnings on a unit-day basis from 16 May through 15 September (Summer Schedule) and 16 September through 15 May for the pilots working the Winter Schedule. All pilots dispatched by the Association share in the earnings only for those days they are on the dispatch roster. Compensation of pilots dispatched by the Association is based upon the limitations (including partial suspension) of the license held by the pilot, according to the following compensation schedule:

License Category Percent of Share

(a) Marine Pilot 100 (b) 90,000 ton 90 (c) 65,000 ton 80 (d) 25,000 ton 70

Section 3. Expenses.

All PM's shall share annual expenses on an equal share basis from 1 June through 31 August. All GPM's shall share annual expenses on an equal share basis, prorated by days dispatched during the period 1 June through 31 August.

Section 4. Redistribution Money.

Redistribution money shall be distributed equally among all fully licensed pilots.

Section 5. Expense Pooling.

Association operating and miscellaneous expenses will be pooled on a January 1 to December 31, cycle basis. The Board of Directors shall budget the cycle expenses on or before January 1 of each year. Over and under budget adjustments for each cycle will be reflected in the budget projection for the ensuing year. Total expenses for the cycle will be pooled from June 1 through August 31 prorated by days dispatched on the dispatch roster during this period.

Section 6. Income Determination.

Transportation and subsistence expenses shall be reimbursed to the individual pilot who provided the service that incurred the expenses. All remaining gross income for pilotage services, and all other miscellaneous income earned and billed during each calendar month shall be pooled, and a daily rate of income determined. Daily rates for member pilots will then be computed at the prevailing percentages provided for in Article VII, Section 2 and Section 4 of these Bylaws. The daily rate of income shall be computed by adding the total number of duty days for each member for the calendar month and dividing the resulting gross income for the month, exclusive of the transportation fees, by this total of duty days. Each member's account shall be credited every month with the product resulting from multiplying the daily rate of income for their particular pilot

category by their duty days during the calendar month.

Section 7. Special Expenses.

In addition, the Board of Directors, at its discretion, may give special consideration to the reimbursement of irregular or extraordinary expenses, costs, or expenditures that are nonrecurring, and that would result in inequitable charges to any member.

Section 8. Individual Expenses.

The Association will pay American Pilots Association dues, I.O.M.M. & P, Pilots' Division dues, Long Term Disability Plan premiums, Long Term Care Plan premiums, and other dues, premiums, and expenses from the individual members accounts as directed by that individual.

Section 9. Income Distribution.

The Association shall maintain a bookkeeping and accounting system that enables the Association to prepare and retain accurate and detailed financial records of the Association. During the period from September 16 through May 15, pay distributions will be made monthly. Draws shall neither be allowed to reduce the Association's operating bank account below Five Thousand Dollars (\$5,000.00) at any time, nor may they exceed five percent (5%) of the balance due to any pilot's account. An exception to this requirement may be made during a period of Association debt from uncontrollable events in which case the membership must authorize a debt limitation not to be exceeded by the Board of Directors. Such authorization must be a result of a membership vote and pass with a two-thirds (2/3) majority. The President shall equalize all draws as much as possible, and will adjust the mid-monthly draw when necessary to bring the individual pilot account balance into close agreement. Checks for pilot compensation draws shall be signed by an officer of the Association or by an administrative employee of the Management Corporation. The Association shall distribute income in the name of a member, corporation, or business, as designated by the member.

Section 10. Reimbursable Expenses.

Members shall be entitled to reimbursement for expenses incurred on Association business which have prior approval of the Board of Directors. Travel and per diem expenses will be reimbursed at the same rate as published in the Federal Register. Any additional expense must be supported by receipts. However, the Board of Directors may disallow any unreasonable, unsupported expenditure.

Section 11. Dissolution of Association.

In the event of the dissolution of the Association, the membership shall decide, by majority vote, the manner in which the assets of the Association shall be distributed.

ARTICLE VIII. OPERATING RULES

The Board of Directors shall establish Operating Rules for the Association. Amendments to the Operating Rules must pass by a majority vote of the Board of Directors and shall take effect upon posting notice of the amendments in the Association's office. The Board of Directors shall submit all amendments to the membership for review and approval at the next meeting of the membership (as per Article IV, Section 13(k)). The Association will then submit the amended Operating Rules to the BMP for approval.

ARTICLE IX. DISABILITY AND BENEFITS

Section 1. Short Term Disability.

A. Pilot Members on Summer Roster:

(a) During the period May 16 through September 15 of each calendar year, any pilot then on the active duty list who becomes unfit for duty due to illness or injury, for a period in excess of three (3) consecutive days, and whose unfitness for duty is duly certified by a medical doctor whose qualifications are found to be acceptable by the Board of Directors, may apply to the Board of Directors to be removed from the active duty list, and to receive an income distribution during the pilot's period of disability in accordance with paragraph (c) of this Section for a period not in excess of ninety (90) days for PMs, and for a period not in excess of ninety (90) days (or for a period in excess of the remaining negotiated work period, whichever period is the lesser) for GPMs including Deputy Pilot Members.

(b) Should a Summer Roster Pilot become disabled prior to the summer dispatch period, and that injury extends beyond May 15, that pilot shall receive income distribution authorized under paragraph (c) of this Section beginning on May 16 and shall not exceed ninety (90) days from the date of injury.

(c) This income distribution is in lieu of the full pay authorized under Section 1, of the Operating Rules. Summer Roster Pilot short term disability benefits herein conferred are not cumulative, are not convertible into any exchange upon termination of membership, and may not extend beyond September 15 of any calendar year, or extend beyond the termination date of the disabled pilot's membership irrespective of the date of the onset of the disability. This off-duty disability income distribution is subject to the terms, conditions, and limitations contained in this Article and these Bylaws.

B. Winter Roster Pilots:

(a) Pilot members who are injured between May 15 and September 15, and who worked the previous winter work period or have applied in writing for the upcoming winter work period, are eligible for winter roster short term disability should the pilot's injuries carry beyond September 15 (up to September 15, the Summer Roster Worker

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rules apply). The total number of days of short term disability collected from a combination of summer and winter dispatch periods shall not exceed ninety (90) days. From September 16 until the expiration of the ninety (90) days from date of injury, or until a physician certifies the pilot fit for duty, whichever is less, the pilot member shall receive a share from the winter roster income pool in accordance with paragraph (c) of this Section.

(b) Winter Roster Pilots who are injured between September 16 and May 15 shall receive a share from the winter roster income pool in accordance with paragraph (c) of this Section for a maximum of ninety (90) days or until a physician certifies the pilot fit for duty, whichever is less.

(c) Should the Winter Roster Pilot's injuries carry beyond May 15, the pilot shall be eligible for summer short term disability as prescribed in this Section of the Bylaws. The total number of days of short term disability collected from a combination of summer and winter programs shall not exceed ninety (90) days.

(d) The Winter Roster Pilot benefits herein conferred are not cumulative, are not convertible into any exchange upon termination of membership, and may not extend beyond the termination date of the disabled pilot's membership irrespective of the date of the onset of the disability.

(e) During all periods, income distribution to injured pilots shall be at the rate of fifty percent (50%) of the net earnings distribution which the pilot would have otherwise received for the dispatch period in which they are unable to work.

(f) The Board of Directors shall be entitled at any time, before or during a pilot disability period, to have the pilot that is on disability status examined or re-examined by a medical doctor of its choice and, upon the doctor's certification of fitness for duty, to return the pilot to active duty status.

(g) A pilot may be compensated only once during a three year period for an illness that recurs.

(h) In case of injury and the injured pilot at a later date is reimbursed by court order or negotiated settlement for earnings lost due to the injury, the Association shall be reimbursed for a proportionate share of any money previously paid the injured pilot under the terms of this Section. A proportionate share is defined as fifty percent (50%) of any lost earnings settlement not to exceed the total amount paid the injured pilot under the terms of this section.

(i) Notwithstanding any other provision of these Bylaws to the contrary, the determination of whether to pay a disability advance, whether a member should be determined to be disabled, the term of any payment made as a disability advance, and any other application of payment made under this Article shall be made solely by the Board of Directors and shall be made at its sole discretion, and no pilot shall be entitled

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to any payment from the Association for any claim of illness or disability.

Section 2. Long Term Disability. (a) All pilot members who meet the eligibility requirements of the Long Term Disability Plan ("LTD") shall participate in the LTD. Each participant shall contribute equal shares of the total monthly premium as described in the LTD in accordance with Article VII, Section 8.

(b) This section applies to all Pilot Members, according to the eligibility requirements of the LTD,

Section 3. Long Term Care.

(a) All pilot members who meet the eligibility requirements of the Long Term Care Plan (LTC) shall participate in the LTC. Each participant shall contribute equal shares of the total monthly premium as described in the LTC in accordance with Article VII, Section 8.

This section applies to all Pilot Members, according to the eligibility requirements of the LTC.

ARTICLE X. MISCONDUCT AND GRIEVANCE PROCEDURES

Section 1. Misconduct.

SEAPA will not adjudicate charges of misconduct as defined in the Act made against a member. Complaints against a member must be in writing, signed by the complainant, in sufficient detail and substance to allege that a person 1) is incompetent in the performance of pilotage duties; 2) is chemically impaired; 3) illegally possesses, uses, or sells narcotic or hallucinogenic drugs; 4) makes a false statement to obtain a license; 5) violates a provision of the Act or a regulation adopted under the Act; 6) has had the person's United States Coast Guard pilot license conditioned, suspended, or revoked; or 7) charges, collects, or receives an amount for pilotage services that is different from the rate adopted under the Act or the rate agreed to under the Act by the Association. Such charges will be forwarded to the BMP with a copy to the member charged with misconduct. Due process in these matters must be provided by the BMP and not the Association.

Section 2. Violations of Bylaws or Operating Rules.

Charges of violations of the Association's Bylaws or Operating Rules will be processed and resolved pursuant to this section. The Board of Directors may impose any sanction it deems appropriate, including, but not limited to 1) prescribing a course of remedial action which is related to the violation, 2) sanctioning the member by providing a verbal reprimand or a written letter of censure, 3) imposing a specific period of suspension, 4) requiring the member to reimburse the Association for any financial loss, 5) dismissing the charge of violation, or, 6) any combination of the above.

(a) Hearing Panel. The Board of Directors shall hear charges of Bylaw or Operating

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Rule violations brought against a member.

(b) Notice. The member charged with a violation of the Bylaws or Operating Rules shall be provided written notice by the President as soon as practicable after charges have been filed. Thirty (30) days notice of the time and place of the hearing shall be provided to the member charged. The member charged shall be entitled to representation at the meeting. The member may waive a hearing by the Board of Directors on the charge of violation, if the waiver is in writing from the member.

(c) Sanctions. The Board of Directors may impose any sanction as described in Article X, Section 2. The member charged with a violation may stipulate in writing to any sanctions by the Board of Directors.

(d) Appeals and Arbitration. Appeals from the decisions of the Board of Directors shall be settled by binding and final arbitration. The written appeal shall be submitted to the Board of Directors within fifteen (15) days after the date of the Board of Director's decision. The Board of Directors and the member making the appeal shall work in good faith to resolve their differences over the Board of Director's decision made under section 2 of this Article. The process of arbitration will begin by the Association and the member making the appeal each selecting an individual within seven (7) days of the date that the parties declare a failure to resolve the Board of Director's decision under section 2 of this Article. These two (2) individuals will then agree to the selection of a mutually agreeable third person within seven (7) days to act as arbitrator. This arbitrator is authorized to investigate the decision of the Board of Directors, contact parties with relevant information, conduct a hearing, take testimony under oath and review evidence, and make a ruling of whether the Board's decision under Section 2 of this Article is appropriate, or if it should be modified and if so, how it should be modified. The arbitrator's ruling shall be made within thirty (30) days of receiving the appeal. The arbitrator may not award compensatory remedies, punitive damages, or damages of any kind. The costs of the arbitration shall be split equally among the parties. The decision made following arbitration shall be binding and conclusive on all parties involved and judgment upon such decision may be enforced in any court of competent jurisdiction.

Section 3. Grievances.

Any member with a grievance against the Association must file it in writing and serve the Board of Directors of the Association of notice of the grievance within ten (10) days. Due process will be provided to the aggrieved member by having the member address the Board of Directors or the Association at large with the grievance at the earliest possible time set by the Board of Directors. The member is entitled to a hearing before the Board of Directors on the grievance. If the Board of Directors or the member cannot resolve the grievance, the Association or the member filing the grievance may submit the grievance to arbitration as described in Section 2 of this Article.

Section 4. Continuing Education.

All Association member's continuing education requirements are contained in the Association's Training Program. Any grievance by an Association member related to the membership's continuing education requirements set forth in the Training Program are subject to, and dealt with according to, the grievance procedures set forth in Article X of the Association's Bylaws and not the Due Process Procedures in the Training Program.

ARTICLE XI. AMENDMENTS

The Board of Directors may make minor amendments to the Bylaws subject to formal approval of a two-thirds (2/3) vote of all voting members at the next meeting of the membership. The power to make any amendments other than temporary minor revisions to the Bylaws is reserved to the membership of the Association by an affirmative vote of not less than two-thirds (2/3) of the members entitled to vote.

ARTICLE XII. DEFINITIONS

- (a) "Day Count": Days on the Summer Season dispatch schedule a member is assigned to a specific pilotage assignment or authorized credit as provided under Article II Section 6.
- (b) "Dispatch Schedule": A listing of members by membership category indicating specific dispatch assignments, dispatch standby and off-dispatch / off-pay status.
- (c) "Duty". As used in 12 AAC 56.940 and 12 AAC 56.960.
- (d) "Duty Day": Any day that a member is on the dispatch schedule either on assignment or in a standby status.
- (e) "Pilot Member": An individual that holds a current unrestricted Marine Pilot license issued by the State of Alaska under the Act for Region One
- (e) "Non-Duty Day": Any day that is not a duty day is a non-duty day, which is a day offdispatch / off-pay and will be indicated on the dispatch schedule
- (f) "Redistribution Money". The income resulting from the product of the duty days for all Deputy licensed pilots and the difference between a full share and the daily rates that are computed at the prevailing percentages for Deputy licensed pilots provided for in Article VII, Section 2.
- (g) "Shoulder Periods": Part of the "Winter Season" consisting of the days between May 01 and May 15 and between the days of September 16 and September 30 inclusive.
- (h) "Summer Season": That period between May 16 and September 15 inclusive.
- (i) "Summer Season Worker". A member properly authorized on the dispatch schedule for the Summer Season consistent with Article II Section 6.
- (j) "Winter Season". That period between September 16 and May 15 inclusive,

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(k) "Winter Season Worker". A member properly authorized on the dispatch schedule for the Winter Season consistent with Article II Section 6.

NOTICE OF APPROVAL OF AMENDED BYLAWS

The foregoing Bylaws of the Southeast Alaska Pilots' Association were duly approved by the Membership of SEAPA on May 12, 2013, as amended and submitted to the Alaska Board of Marine Pilots for approval in accordance with Alaska Statute 08.62.175. These Bylaws of the Southeast Alaska Pilots' Association were accepted and duly approved by the State of Alaska Board of Marine Pilots on _____.

Paul Merrill
President
Southeast Alaska Pilots' Association

Crystal Dooley
Marine Pilot Coordinator
State of Alaska